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WORLD NEWS

Teachers win new offer on pay

Employers in the teachers' pay dispute in England and Wales yesterday shifted ground, offering to approach the Government jointly with the unions to ask for more money.

They had previously said their 4 per cent offer was final and that arbitration or talks on a revised contract were the only alternative.

The move is seen as a victory for the Labour-controlled Association of Metropolitan Authorities over the Tory-led Association of County Councils. Back Page

Reagan to visit Belsen

President Reagan is to visit Bergen-Belsen former Nazi concentration camp, Bonn said. He was criticised by Jews for saying dead German soldiers were as much victims of Nazism as camp inmates. Page 2

China to reduce army

China is to cut the People's Liberation Army by 1m troops, to about 3.2m, Communist Party leader Hu Yaobang said. Page 2

Polish appeal begins

A Polish court began hearing an appeal by four government security men convicted of murdering dissident priest Father Jerzy Popieluszko. Page 26

Civil Service under fire

Britain was being run by the Civil Service, which believed in conformity with the U.S. rather than he elected politicians, MP Enoch Powell said.

BBC apologises

The BBC apologised to Roman Catholics for not televising the Pope's Easter message and said it would do so future. Page 26

Cancer inquest ruling

A Penzance inquest jury ruled that a former serviceman who died of a rare form of cancer 26 years after witnessing an H-bomb test died of natural causes.

Postal dispute talks

Talks aimed at settling the dispute which has disrupted postal services in the Midlands, North-West and South-East began in London last night. Earlier story, Page 5

Defeat for Contras' aid

President Reagan accepted defeat on his latest bid to supply aid to anti-government 'Contra' rebels in Nicaragua. Page 2

Pact to be renewed

Warsaw Pact leaders, meeting in Warsaw next week, will renew the alliance for 20 years. East German leader Erich Honecker said. Page 2

Karachi death toll at 40

The death toll after four days of fighting between Karachi residents and migrant labourers rose to 40.

Student success

Four sixth-formers from Ripon Grammar School, N Yorks, beat teams of managers from BP and Hewlett Packard in a competition on running the British economy.

Crush hour

Moscow's public transport system is so inadequate that at peak periods some buses carry 10 people per square yard, a Moscow newspaper reported.

MARKETS

DOLLAR

New York lunchtime: DM 2.978
FF 9.1025
SwFr 5.4765
Y247.375

London:

DM 2.973 (3.9645)
FF 9.05 (9.12)
SwFr 2.4705 (2.4895)
Y247.1 (247.9)

Dollar Index: 142.7 (143.0)

Tokyo close Y246.35

U.S. LUNCHTIME RATES

Fed Funds 7.75%
3-month Treasury Bills: 7.73%
Long Bond: 100s
yield: 11.49

GOLD

New York: Comex April latest
\$327.6
London: \$327.25 (\$327.25)

Chief price changes yesterday, Back Page

BUSINESS SUMMARY

Britoil to buy onshore stakes

BY PHILIP STEPHENS

BRITOIL, the UK's biggest independent oil company, is to make its first move into onshore exploration in Britain.

It is paying £27m for the UK assets of Hadsco Petroleum International, a subsidiary of Hadsco Petroleum Corporation of the U.S. Back Page

EQUITIES, unsettled by the latest Retail Price Index and concern over a possible world economy slowdown, suffered

slump in the dollar's value on Thursday in response to figures showing a sharp slowdown in U.S. growth in the first quarter of this year.

The dollar's misfortunes and the attraction for investors of high UK interest rates have been largely responsible for a 9 per cent appreciation in the pound's overall value as measured by the Bank of England's sterling index since the time of last month's Budget. Base rates have come down in parallel from 14 per cent.

The move was endorsed by the Bank of England which lowered its dealing rates in the money markets by the same 4 percentage point, but the Bank gave a firm signal that it did not want borrowing costs in fall any further for the time being.

Barclays and Midland, the two other main clearing banks which lowered their base rates to 13 per cent last week, indicated they would review the situation early next week.

There was speculation they would soon consolidate their rates at 13 per cent, although there was also a suggestion they could decide to wait until the authorities sanctioned a cut to perhaps 12 per cent.

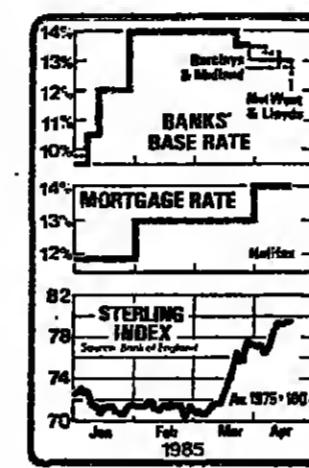
The building societies welcomed the fall in rates which, they said, should help to improve their competitiveness.

Mr Herbert Walder, chairman of the Building Societies' Association, pointed out, however, that any cut in mortgage

rates would depend on a recovery in the societies' inflows from investors.

The societies lagged behind the banks in pushing up their rates earlier in the year, and an early cut in mortgage charges may depend on base rate falling again before the next meeting of the association on May 10.

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Banks back Ecuador multi-year rescheduling

By Stewart Fleming
in Washington

THE FIRST multi-year rescheduling of a developing country's official debts should be completed in the next few days when governments agree to new loan terms for Ecuador, Mr Nigel Lawson, the British Chancellor of the Exchequer, said here yesterday.

The move marks an important step in the evolution of the developing country debt problem and one which will be welcomed by commercial banks and the developing countries.

With the encouragement of creditor governments, commercial banks have endorsed the rescheduling over several years of maturing debt, notably in the case of Mexico. Such a step helps to ease the financial and political tensions surrounding a country's debt problem.

But governments have been criticised for not following suit and rescheduling their debts when a borrower is perceived to be making good progress in improving its economic performance under the terms of an International Monetary Fund adjustment programme.

Governments have, however, been looking for a highly indebted developing country which they could justifiably "reward" for an improved economic performance. At one time Yugoslavia was thought to be a potential candidate, but it is having continued difficulties with the International Monetary Fund.

Commercial banks are now negotiating a \$4.5bn (£3.38bn) multi-year rescheduling with Ecuador which has yet to be signed and some government officials have expressed concern that banks appear to be moving slowly to reschedule the debts of smaller borrowers which are not seen as a major credit risk threat.

The official move on Ecuador will be interpreted therefore as in part designed to pressure the banks to come to terms with the Latin American country. Mr Lawson also indicated that there is greater willingness by industrial country governments to extend export credits to borrowing countries which are making solid efforts to improve their economic performance.

Irish rates reduced

Irish interest rates were reduced by 1.25 per cent from the close of business yesterday. Brendan Keenan reports from Dublin. The new ordinary overdraft rate will be 16 per cent, while the "AAA" rate for most-favoured customers is now 13.5 per cent.

U.S. aid to Contras restricted

By OUR U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan has finally accepted defeat in his latest bid to supply U.S. military aid to the anti-government "Contra" rebels in Nicaragua. He has agreed that only humanitarian aid will be provided over the next five months.

Mr Reagan agreed to the concession, a significant setback for his Central American policies, after it became clear that his \$1.5m (£10.5m) plan for the Contras would not pass both Houses of Congress in a series of key votes next week.

The President's proposal,

to the Republican cause among Jewish voters.

Two resolutions have now been introduced in the House of Representatives urging him to drop the ceremony, following a similar request by 53 of the 100 Senators.

The affair is now regarded in Washington as an unprecedented mix-up by the usually smooth-running Reagan White House publicity machine.

It is a serious black mark for Mr Donald Regan, the new White House Chief of Staff, as well as for the outgoing Mr Michael Deaver, the senior aide in charge of preparations for Mr Reagan's May 1-10 European trip.

Mr Reagan, however, feels bound by his pledge to West Germany's Chancellor Helmut Kohl to honour the German war dead, in a public show of reconciliation on the 40th anniversary of the war's end in Europe, and is still insisting that the cemetery visit will go ahead.

The outcry has reached the point at which some of Mr Reagan's advisers fear that long-term damage may be done

to cancel the plan would be "very hurtful" and "leave me looking as if I caved in in the face of some unfavourable attention," he said.

The White House yesterday bitterly complained that Mr Reagan's "victims" remark had been taken out of context. The President said that the cemetery was filled with the graves of young teenagers, forced into military service in the closing days of the Third Reich.

After the Bitburg ceremony was arranged, someone dug up the fact that there are about 30 graves of SS troops there, he said. "These were the villains, as we know, that conducted the persecutions and all."

"But there are 2,000 graves there, and for most of those buried there, the average age is about 18. I think there's nothing wrong with visiting that cemetery where those young men are victims of Nazism also."

Nakasone renews imports pledge

By OUR TRADE EDITOR

MR YASUHIRO NAKASONE, the Japanese Prime Minister, yesterday pushed his import liberalisation programme into first gear when he convened an inaugural meeting of a top level committee to examine ways to break down Japan's trade barriers.

Mr Nakasone told the meeting that "no sanctuaries will be accepted" in government efforts to improve market access for foreign products. Japan's international reputation "would suffer greatly" if it failed to promote external economic policies he said, in clear reference to U.S. and European pres-

sure for Japan to liberalise its trading system.

His remarks follow the announcement on April 9 of an action programme to put teeth into Japanese pledges to equalise its trading policies with those of its partners. It has a \$44bn (£34.64bn) trade surplus worldwide.

The trade committee consists of Mr Nakasone's Cabinet and political officials. Mr Nakasone urged the team to remove exceptions to the principle of free trade. Neither agriculture nor forest products should be considered sacrosanct, he was quoted as saying.

The action programme has fuelled pressure on Japan by its trade partners. Mr Norman Tebbit, the British Trade Secretary, concludes a mission to Tokyo this week, as does Mr Ruud Lubbers, the Dutch Prime Minister.

Meanwhile, Japanese and U.S. negotiators yesterday reported "significant progress" in talks aimed at enabling foreign telecommunications equipment makers to increase sales to Japan. The telecommunications issue arises from Japan's break-up of the state Nippon Telephone and Telecommunications Company.

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Sperry holds up the card to football hooligans

By Jason Crisp

FOOTBALL ENTHUSIASTS at the British subsidiary of Sperry, the U.S. data-processing group, have proposed a plan both to beat hooliganism on the terraces and to sell computer equipment.

Sperry, with Systemsolve, a British software services group, is offering to football clubs a free, computerised membership-card system. A card with the owner's photograph and a magnetic strip would be read by a machine at the turnstile. This could identify anyone blacklisted for hooliganism.

Fans would have to pay £5 a year to register and to obtain an identity card. The price could be cut if many clubs took part in the scheme. The two computer companies plan to spend £250,000 to encourage clubs to join.

Sperry said the scheme would be commercially viable if six total membership of about 250,000. The computer companies would like the Government to press football authorities to install such a system throughout the league.

The Sperry scheme is being backed by Mr Emlyn Hughes, the former England captain. Yesterday he said: "If something is not done soon, somebody is going to die at a football match — a player or a fan."

Sperry is talking to several clubs about the scheme, including Millwall, which was recently fined £7,500 for its fans' violence at the Luton match. Luton itself is threatening to ban supporters of other teams from its ground.

The Sperry plan would require clubs to issue membership cards and check supporters' identities. The cards are like credit cards but with a picture. The machines which read the cards at the turnstiles store the registration numbers of blacklisted fans likely to attend. It takes about a second for the machine to check the number.

A complete black-list would be stored on a Sperry mainframe computer run by Systemsolve. Data on the two teams' supporters would be sent to the terminals at the ground by telephone before a match.

Software turnover rise put at £370m

By Iver Owen

BRITAIN'S FAST-GROWING computer software industry is estimated to have increased its turnover from £1.75bn in 1983, to £2.20bn last year. Mr John Butcher, Under Secretary for Industry, told the Commons yesterday.

He welcomed the rapid progress made by the Copyright (Computer Software) Amendment Bill, which is designed to reinforce civil remedies against copyright theft and provides for offenders convicted on indictment up to two years in jail and unlimited fines.

Bill, a private member's bill introduced by Mr William Powell (Con, Corby), who estimates that the activities of copyright pirates cost the industry £150m last year in lost sales and royalties, was given an unopposed third reading.

TSB tries to salvage flotation

By MARK MEREDITH, SCOTTISH CORRESPONDENT

EXECUTIVES of the Trustee Savings Bank are searching for ways to salvage the flotation of the group on the Stock Exchange after an amendment passed in the Lords this week excluded the powerful TSB Scotland from the proposal.

Sir John Read, chairman of the group which includes the four regional TSBs in Britain, yesterday held talks in Edinburgh with Lord Taylor of Gryffe, the SUD peer, whose tabled amendment passed with a majority of 13 on Tuesday and took the TSB by surprise.

At a Press conference after the talks, Sir John rejected the option of an independent Scottish TSB and other proposals to enhance Scottish control. He said he wanted to find an agreement which would save the Bill.

"The joint purpose of the TSB group and TSB Scotland is now to develop proposals which will enable the TSB Bill to be progressed in a form which is acceptable, not only to both Houses of Parliament but also to the interests of both the TSB group and TSB Scotland, together with its staff and customers," Sir John said. "The amendment completely

ruins everything. It would be a disaster for TSB Scotland and every other company in the group," he commented.

A third reading of the Bill in the Lords has been postponed and the Government has asked the TSB to sort out the problem. Sir John said he had about a week to come up with some proposals.

The flotation of the TSBs of Scotland, England and Wales, Northern Ireland and the Channel Islands would be one of the largest for the Stock Exchange, raising possibly £1bn.

It is designed to settle the cloudy question of who owns the TSB and would coincide with a formal change of status into a fully fledged bank supervised by the Bank of England.

The TSBs have a special category as savings institutions and report to the Treasury.

Apart from condemnations of the proposal by the Scottish National Party, the question of the autonomy of the TSB Scotland has not been a prominent issue north of the border. Compared to the rumpus which accompanied the possible sale of the Royal Bank of Scotland

to outside interests three years ago, the proposal has excited much less interest.

The TSB Scotland, which brings together four Scottish savings banks, has had to start over the TSB in England and Wales in developing its new image as a high street retail bank. About one in four Scots has an account with the bank which has assets of £1.3bn.

Some managers in Scotland are privately pleased that the issue of Scottish autonomy has come out, but few see any other way than for the original proposal, which would have made all the four regional banks equal partners in a holding company.

Mr Iain MacDonald, Chief General Manager of the TSB Scotland said yesterday: "As far as I am concerned, I want to be part of the group. I want TSB Scotland to be in it. That is important to us. Now, if we can satisfy the concerns of the people who are making these noises within the group structure, I think we would all be happy about it."

He said the customers were not so concerned about the issue of independence for the

Ministers forecast fall in jobless

By Margaret van Hattem

TWO Cabinet Ministers yesterday forecast that unemployment will start falling before the next General Election—a prediction first made by Mr John Biffen, Leader of the Commons, in parliament on Thursday.

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UK NEWS

BT share register to top 1.7m

THE LATEST forecasts indicate that British Telecom's share register, to be finalised shortly, will total over 1.7m shareholders, according to Sir George Jefferson, BT's chairman.

In a lecture at Emmanuel College, Cambridge, he said that the facts confounded those pessimists who claimed that most people bought shares for a quick profit.

He added that large numbers of shares would quickly find their way into the hands of financial institutions and professional investors.

Sir George said the British Telecom flotation had done more than any other operation to widen interest in share ownership among ordinary people in the UK.

Road spending up

SPENDING on major road construction during 1984-85 was almost 14 per cent up on the previous year. Mrs Linda Chalker, the Transport Minister, disclosed yesterday.

Mrs Chalker said 15 trunk road schemes were completed early and another 16 of the 58 under construction were ahead of schedule. She said that the latest figures put the net total of spending on trunk roads at £806.2m for last year.

Ulster nominations

NOMINATIONS for next month's local government elections in Northern Ireland which opened yesterday, show that 1,000 candidates are expected to seek election to 566 seats in 26 electoral areas on May 15.

In the latest test of support for the province's political parties, all eyes will be on the electoral performance of Sinn Fein, the IRA's political wing, which will contest seats across the province for the first time.

Thatcher tour cost

THE Prime Minister's Asian tour last week, which was severely criticised by the Opposition, cost £174,000 it was disclosed yesterday.

In a Commons written reply, Mrs Thatcher said: "The current estimated cost to public funds of the recent visit to Asia and Saudi Arabia is £174,000. Most of this represents reimbursement to the Defence Ministry for the use of an RAF aircraft."

Decision to close London Gold Futures Market

BY JOHN EDWARDS, COMMODITIES EDITOR

THE FINAL death sentence on the ill-fated London Gold Futures Market was delivered yesterday. A meeting of the loan stock holders—the 38 companies which paid £55,000 each to become "floor" trading members—approved resolutions that the company should go into voluntary liquidation and the market should be closed at a date yet to be finally decided, probably the end of June.

This means that the loan stock holders will get their money back after various expenses have been deducted.

The market effectively ceased trading in February when the board announced it proposed to close down because of lack of support. The market has been opening an hour a day, but with only a few outstanding positions to be closed out there has been no trading.

The market has struggled to survive since it was launched in April 1982 with a sterling-based contract. A switch to a dollar contract in October 1982

brought a temporary revival in trading activity but this, too, gradually faded away for lack of interest when the gold market as a whole went through a long time of depressed conditions and declining prices.

Mr Robert Beale, chairman of the market, said the main reason for its lack of success was the dull external conditions that had affected gold trading throughout the world.

He said: "That was a bit of a killer. Maybe we would have been able to survive if the market had been established when gold trading conditions were more favourable."

Not discussed at yesterday's meeting was an offer by Mr Bob Gibson-Jarvie, who helped set up the market as a consultant to the formation committee, to buy at par its share capital of £10,000. This offer is yet to be considered by the Environment Secretary greater powers to intervene where councils are reluctant to put out work.

The confidential draft CBI response says the proposals would bring many benefits to ratepayers. "It is likely that once established for several diverse activities, the discipline and associated benefit would extend into other areas of local government."

Nonetheless, it calls for strengthening the proposals including, in particular, standardising local authority accounts for cost comparisons to be made.

CORRECTION
Pifco Holdings and Swan Housewares

OUR REPORT in yesterday's paper on Swan Housewares' decision to close its Belfast factory erroneously stated that the company had been acquired last year from BSR International by Pifco Holdings.

In fact, although in October Pifco announced its intention of buying Swan, the offer was subsequently withdrawn and Pifco is not in any way associated with Swan or BSR. We apologise for our error.

THE USUAL crop of complaints about the annual rate demands has started from business, commerce, domestic ratepayers and politicians. It was apparently ever thus.

The major part of a whole page of the Daily Graphic, published 80 years ago this month, was given over to the vexed question of London's rates with three headlines: "London's Burden"; "Increasing Rates" and "Extravagant Municipal Expenditure".

The opening sentence says that the return recently issued by the London County Council for the rates levied in 1904-05 shows very clearly that the outcry against the burden of rates has not been without reason.

In those days, London government comprised the LCC, covering the present Inner London Education Authority area, with 28 little London boroughs plus the City. Today, the 28 boroughs have merged into 12 inner London boroughs plus the City.

London boroughs had the highest percentage rate increases. Over a 10-year period, from 1895-96 to 1904-05, Poplar's rate increased from eight shillings in the pound to 10 shillings, a rise of 25 per cent.

Lewisham, which is now poor but was then very prosperous, rose from 7s 3d to 7s 6d over the same period, having fallen as low as six shillings at one point.

The differential between the highest and lowest total rates levied in inner London has widened. Poplar, a very poor area, was 50 per cent higher than Kensington in 1904-05. But in 1984-85, when the total rate was different because of the GLC and Metropolitan Police precepts, the highest rate of 278.95p in the pound at Southwark was 80

per cent higher than Wandsworth's 155.7p.

Education spending advanced rapidly in line with all other local authority expenditure at the turn of the century. The County Council budget rose from £2.4m in 1895-96 to £4.6m in 1903-04 and the borough councils and district boards moved in line, rising from a total of £2.7m to £4.6m. The London School Board, a separate body running inner London education, increased its spending from £2.2m to £3.1m.

The Graphic concluded: "In every possible direction, the municipal expenditure has steadily increased and the question becomes annually more serious. When shall we reach the limit? Is it not time that some limit was put to the borrowing powers of local bodies?" These are problems which will have to be solved before long. The whole question needs serious consideration and does not receive sufficient attention." Plus ca change.

BCal urges immediate action on Stansted and Heathrow

BY LYNTON MCALPIN

BRITISH CALEDONIAN AIRWAYS has called on the Government to authorise immediate development of Stansted Airport, Essex, and to remove limits to air transport movements at Heathrow Airport. It wants preparations to start for construction of a fifth terminal at Heathrow.

BCal also wants all charter services from Gatwick to be transferred to Luton and Stansted, leaving Gatwick as a scheduled-service only airport. BCal is based at Gatwick.

BCal supports many central recommendations by the inspector at the recent Stansted Airport inquiry. BCal's comments, in a booklet sent to government departments and Members of Parliament, are designed to influence Mr Nicholas Ridley, Transport Secretary, ahead of the Government's final decision on Stansted as London's possible third airport.

Mr Ridley is expected to publish, in June, a government policy statement on its attitude to development of Stansted.

Publication of a White Paper on regional airports policy is expected for the same time.

Government authorisation of development at Stansted looks

increasingly likely in view of the wide support from airlines, such as BCal and British Airways, and forecasts of growth in air transport to the end of the century.

BCal says the growth of Britain's airline industry could come to a standstill in 1990 without the expansion of airports in the South-East, including Stansted.

"There is a vital role for regional airports to play, but it is impractical, if not naive, to believe that places like Manchester and Birmingham can

substitute as gateway airports for traffic wanting to come to London."

BCal says more landing and take-off capacity in the South-East is urgently needed.

It says that at the existing Stansted Airport Britain has one of the finest air transport runways in the country and in terms of operational capability it is a highly suitable site to be developed in conjunction with Heathrow and Gatwick.

None the less, Stansted requires development of a new terminal

Hotel group buys Liberal Club lease

By Michael Carell
Property Correspondent

THE National Liberal Club building in London, built nearly 100 years ago on the express wishes of William Gladstone, is to be converted into a hotel.

Thistle Hotels, part of Scottish and Newcastle Breweries, said yesterday it is acquiring from the Craven Estate a new long lease on the building and is to integrate it with the adjacent Royal Horseguards Thistle Hotel. The plan will increase the number of bedrooms in the 4-star hotel from 298 to 398.

Baroness Robson of Kiddington, chairwoman of the National Liberal Club management committee, said the sale safeguarded the long-term future of the club and would enable a badly needed improvement programme to be carried out. The club has 2,250 members and provides 140 bedrooms.

Thistle is paying a £1.85m premium to the club for the remainder of its long lease on the premises and has negotiated a new, 99-year lease with the Crown Estate. The club is taking a new underlease from Thistle.

Thistle owns 35 hotels in the UK and last year doubled operating profits.

Rate demands spark familiar complaints

Robin Pauley looks at an issue vexing London for 80 years

construction for Wales (fourth quarter). Construction: new orders (February). FT Conference on "Multinational innovators in high technology" in Munich and "Communications in the UK—the challenge of choice" at Hotel Inter Continental, WI (until April 25). Mrs Margaret Thatcher opens centre for Israeli muslim community in London. Union Carbide annual meeting.

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UNIT TRUSTS 1985

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UK NEWS-LABOUR

Poll casts doubt on TGWU region voting figures

By PHILIP BASSETT, LABOUR CORRESPONDENT

SUGGESTIONS of possible ballot irregularities in the Transport and General Workers' Union region of Mr George Wright, the principal losing candidate in last year's disputed election for general secretary is contained in independent poll findings to be published today.

Supporters of Mr Ron Todd, the successful candidate, have been suggesting for some time that election results in the union's No. 4 region, Wales, where Mr Wright is regional secretary, might be worthy of investigation, although Mr Wright's supporters insist that there was no malpractice in voting in the area.

The results of the survey by the opinion poll organisation Mori for Channel 4's Union World programme tonight show a much lower turnout in Region 4 than claimed by the TGWU: substantially fewer votes than claimed in the union for Mr Wright, and higher for Mr Todd; and strong support for a re-run of the whole election.

Unreleased internal TGWU figures claim a 61.1 per cent turnout in Wales, second only in scale to the now-disputed Irish turnout figures. Mr Wright's camp points to its long campaign in the area, strong support from officers in the region and Mr Wright's prominence there by way of explanation.

The Mori figures, based on interviews on three days this week with 350 TGWU members at three branches in Swansea, show that only 49 per cent say they voted at all in the election. The internal TGWU figures show a large majority for Mr Wright in the region—89 per

cent to Mr Todd's 4.9 per cent. Mori's results say that of those who voted, only 61 per cent voted for Mr Wright and as many as 29 per cent for Mr Todd. A total of 10 per cent voted for the other three candidates, and 12 per cent either didn't know or refused to reply.

Of those questioned 65 per cent said from what they knew or had heard about the election had been properly conducted, although 17 per cent thought it had not. Of those who voted 81 per cent thought its conduct proper.

In view of the allegations of irregularities in some branches, 73 per cent of those interviewed thought that the election should be re-run. If there was a fresh election, 55 per cent—68 per cent of those who did not vote last year—thought the vote should be by postal ballot, rather than by the present system of individual voting at workplaces.

The results of an independent inquiry into allegations of ballot-rigging in the union's No. 1 region, covering London and the South-east, will be delivered to Mr Moss Evans, TGWU general secretary, within 10 days.

Mr John Garnett, director of the Industrial Society, and another society official, went yesterday to the region's headquarters in line with a decision announced by Mr Evans the day before.

They examined a range of material connected with the election, including the disputed pink and white voting return forms which a scrutineer claims he was instructed by the region to alter.

Post held up by overtime dispute

By Brian Groom, Labour Staff

THE postal dispute which has disrupted mail in the Midlands, the South-east and the Northwest was spreading last night as the Post Office announced that its original cause had been removed.

The dispute began in Northampton over overtime payments for delivering polling cards for the May county council elections. The Post Office said last night it had handed the cards back to Northamptonshire County Council at the council's request, because they were not being delivered.

By last night, collection and delivery of mail had been halted in areas covered by 20 sorting offices. More than 7,000 members of the Union of Communication Workers had walked out or been suspended, and a backlog of 20m letters was trapped by the dispute.

The Post Office hopes that staff will return to work when they realise that the cause of the dispute has been removed.

The offices affected were: Manchester, Preston, North-West London, Romford, Milton Keynes, Luton, Hemel Hempstead, Stevenage, Cambridge, Brackley (Oxford), Hereford, Northampton, Coventry, Peterborough, Leicester, Worcester, Derby, Nottingham and Slough.

The dispute is one of the most serious in recent years. It spread as workers refused to handle mail transferred from Northampton by the Post Office and by commercial customers.

There were fears in the UCW that it could jeopardise the recent sweeping agreement on new technology and working practices, which has still to be endorsed by a union conference in five weeks' time. Officials know they face a difficult task persuading the conference to accept increased numbers of part-time staff.

The Northampton dispute began last Monday when 1,000 workers walked out following the suspension of one man for refusing to handle the polling cards.

According to the Post Office, the UCW in Northampton was demanding four hours' overtime for each member, costing at £14 a head for delivering an average of 500 cards.

The Post Office said polling cards should be treated as normal second class mail, although it is prepared to pay overtime if the cards cannot be handled during standard working hours.

Brinks-Mat takes Apex to court over strike vote

By DAVID BRINDLE, LABOUR STAFF

APEX, the white-collar union, strike proposal, with ballot papers which it believes will comply with the Act.

The dispute is over annual pay negotiations for the 208 Brinks-Mat security guards presented by Apex. Although neither side is prepared to comment in detail, it is believed the company is proposing to defer any settlement to take effect from October 1, rather than the due date of April 1.

Mr Gristey said yesterday the need for a deferral had arisen because of a price war in the industry which had affected the company "quite desperately."

The union's disputed strike ballot, held in late March, showed 200 members in favour of striking from April 1. By April 2, the vast majority of the Apex drivers and guards were on strike at Brinks-Mat's UK depots.

Two days later, however, the company went to the High Court to contest the ballot, and the union agreed to instruct the strikers to return to work pending a hearing.

The union is this weekend reballoting its members on a strike.

Pay deal level rising says monitoring body

By BRIAN GROOM, LABOUR STAFF

PAY DEALS over 10 per cent are appearing again, according to Incomes Data Services, the pay monitoring body. Although most settlements are still in a 5 per cent to 8 per cent range, the pattern is less stable and there is an increased number of higher settlements.

In its latest bulletin the monitor cites three examples—English China Clays' 10 per cent from March, International Harvester's two-year deal at Doncaster worth 11.5 per cent each year, and a 10.4 per cent settlement over 15 months at NEI Parsons in Newcastle.

As the Government announced yesterday that the inflation rate had risen to 6.1 per cent in March, IDS said negotiators had already allowed for the likelihood of 6 per cent inflation by the spring.

It says: "Now that is a

certainty we may see even fewer pay increases below 4 or 5 per cent and it is possible that the centre of gravity in the spread may rise slightly." Offers in the public sector are a little higher than a year ago. IDS says the latest figures for settlements reported to the Engineering Employers' Federation show a median (weighted by employees covered) of 6 per cent through the winter months. This is the first real sign of an upward shift in engineering deals, the median having previously remained around 5 per cent since autumn 1982.

The company's latest pay chart shows some increased diversity of settlements, in spite of continued concentration on the 5 to 8 per cent range.

IDS Report 447; 140, Great Portland Street, London, WC1A 5TA; available on subscription.

Further negotiations or a re-ballot.

Among the company's complaints was the absence from the ballot papers of the required statement that industrial action is a breach of contract. An Apex employee had apparently misunderstood instructions and had type "standard clause" in the relevant space.

In addition, the question posed on the papers referred only to "industrial action" and did not stipulate "strike action" as required by the Act.

Mr Gristey said he had been involved in the pay negotiations until mid-March when he was promoted from the post of general manager (personnel) of Brinks-Mat to the equivalent post with the parent group. He had not been involved in the legal action.

When he was Apex's senior area organiser for London and the Home Counties, Mr Gristey was the official responsible for the union's strikers at the Grunwick film laboratories. He joined Brinks-Mat in 1983.

Rosyth dock workers to hold protest strike

By Stuart Jeffries

THE 6,300 industrial workers at Rosyth Royal Naval Dockyard, threatened with 500 redundancies under government plans, voted overwhelmingly yesterday for a half-day protest strike from noon Monday. Shift workers are expected to stage similar action.

Mr Jack Penman, the yard's convenor's committee chairman, said the action was the same as that Devonport industrial workers took on Thursday because "their fight is our fight." At Devonport 2,000 of the 13,000 workers are expected to lose their jobs.

A committee has been formed to liaise with Devonport. Mr Penman said: "Concerted action will now be planned, hitting the dockyards where it will hurt most. This is only the start."

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THE WEEK IN THE MARKETS

Wobbly Wall Street

NEW YORK

WILLIAM HALL

WALL STREET has been buffeted by the continuing conflicting signals coming out of Washington, the U.S. credit markets, and the corporate sector this week. The further sharp slide in the value of the dollar has added to analysts' problems as they try to figure out what is going to happen to the U.S. economy in the second half of this year, and, in turn, how this will affect U.S. corporate profits.

On Thursday the U.S. Commerce Department surprised Wall Street by sharply revising downwards the first quarter estimates of the growth in the U.S. gross national product (GNP) from an original 2.1 per cent annual rate to 1.3 per cent. Analysts had been expecting a first quarter growth rate of around 2.3 per cent. The Commerce Department's figures about further falls in U.S. corporate profits also upset the equity markets, which have been taking, lately, a more bearish view on the U.S. corporate profit outlook.

The first quarter GNP figures, which will no doubt be revised again, compare with the 4.3 per cent annual growth rate recorded in the fourth quarter of last year and mean that the U.S. economy will be hard pressed to grow by the officially projected 3.9 per cent this year. Many analysts are talking of a 1985 growth rate for the U.S. economy of 3 per cent at best, less than half the 1984 growth rate.

The unexpected slowdown in the U.S. economy comes against a background of first quarter profit reports from the U.S. corporate sector which was added to the analysts' pessimism about the earnings outlook for some of America's biggest corporations. The big forest products companies like Georgia-Pacific and Weyerhaeuser, for example, both reported gloomily this week about the damage being done by the high dollar.

They have been hit hard by increased import competition, which in turn has depressed the domestic prices of many of their products at a time of strong demand. These com-

panies, like the U.S. chemical majors such as Dow and Union Carbide which have been reporting this week, are more vulnerable than most to the fortunes of the dollar. They highlight the very real short term damage that has been done to U.S. corporate profitability by the dollar's recent strength.

Consequently, the sharp slide in the dollar's value over the last three weeks should mean that second quarter U.S. corporate profits should look somewhat healthier than first quarter figures. A month ago the U.S. currency was trading at DM 3.40 and \$1.04 against the pound. By Thursday evening the pound was trading in New York at \$1.30, and the dollar had fallen below the psychologically important DM 3 level.

Meanwhile, the Fed funds rate, which is watched closely for clues to short-term movements in U.S. monetary policy, has fallen by around 100 basis points to 7.75 per cent over the past three weeks. This has fuelled speculation that the U.S. federal reserve might already be easing its monetary stance in a bid to revive the flagging U.S. economy.

Against this confusing background, U.S. share prices have found it difficult to make much headway this week. After seven straight days when the Dow Jones Industrial Average struggled up from the 1,153 level to just above 1,272, almost half the increase was wiped out on Thursday when the Dow Jones Industrial Average lost 7.18 and closed at 1,265.13.

Meanwhile, on the corporate front, the take-over fever continued apace, with Ted Turner's \$2bn bid for two-thirds of CBS, the nation's biggest broadcasting network. For people who have never heard of him, Ted Turner is a flamboyant maverick who has made his mark (if not his fortune) by cocking a snook

at the major networks with his upstart cable television empire.

CBS shares, which were trading less than a year ago at under \$70, shot up to \$118 immediately after the bid announcement. But by the end of the day they had fallen to \$106. The recent wave of U.S. takeovers has been pushed on by increasing reliance, by corporate predators, on the issuance of high yield paper, known in the trade as "junk bond" financing. But even by Wall Street's speculative standards Mr Turner's bid for CBS is, to say the least, risky.

For a while it has seemed as if corporate predators like T. Boone Pickens, the Texas oil man, and Sir James Goldsmith, the British financier, could conquer any company that took their fancy. As always, though, the market is beginning to adjust, and Wall Street is watching especially closely the current bids by Sir James for Crown Zellerbach, a rather sleepy San Francisco forest products company, and Mr Pickens' bid for Unocal, a lacklustre oil major based a few hundred miles south in Los Angeles.

Both companies have made it clear that they do not want to be taken over. Crown Zellerbach has rejected Sir James' \$22.50 per share bid, but said it will talk to anybody offering \$60 per share or more. Its shares have been falling this week, and by Thursday were trading at \$41.

Unocal has taken a different approach, and some analysts believe it may have found the answer to unwelcome takeover bids. It has just rebuffed Mr Pickens' \$54 a share tender offer for majority control, and said that if Mr Pickens is successful it will swap the balance of its shares for debt worth the equivalent of \$72 per share, which would mean that Mr Pickens would fetch up with a company heavily in debt. Unocal shares have been falling this week, and by Thursday were down to \$46.75 against a recent high of \$53.

Monday 1,266.78 + 1.10
Tuesday 1,269.55 + 2.77
Wednesday 1,272.31 + 2.76
Thursday 1,265.13 - 7.18

Watching the dollar fall

LONDON

ONLOOKER

THE EQUITY sector has again stood in the shadow of hectic activity on the foreign exchange market this week. Sterling is now close to levels not seen for almost a year as the dollar took another battering following the latest economic numbers out of Washington to show a sluggish looking economy.

The continued strength of the pound has enabled the clearing banks to indulge in another round of leapfrogging on base rates with NatWest and Lloyds cutting their rates by half a point to 12% per cent—a quarter point below their two main British rivals.

The move might have been expected to provoke some fresh rise in share prices which had been gently inching ahead for most of the week. But the cut had been widely discounted and the latest RPI figure was of more concern, suggesting an annual inflation rate of 6.1 per cent. That turned the market around, though the modest amount of red ink in the afternoon did no more than partially back-track on the rises of the last few days.

One share which did not mean such a smooth run was Commercial Union. It has been the centre of bid gossip for many a month but the rumours started getting heavy earlier in the week that a bid was on the way. All sorts of names were linked as possible buyers—Allianz, Swiss Reinsurance, General Accident, Guardian Royal Exchange—but by yesterday the rumours were cooling fast, helped along by a couple of cold blast denials from Allianz and Swiss Re.

Within the stores sector there is a groundswell of opinion that retailing in the 1990s will be an era of great change. But that seems to be about as far as the thinking goes with any clarity. Nevertheless in preparation for this great upheaval—whatever it may be—the larger of the country's retailers seem convinced on one point. Size and balance sheet strength will be

Stores in the 1990s

vital to tackle the future. Hence this week Associated Dairies (Asda) announced an agreed £615m takeover of MFI and Tesco launched a £145m rights issue.

The combination of food retailer Asda, and flat-pack furniture stores group, MFI, creates one of the largest combines in the UK with total sales of £25m a year. And a market capitalisation of £1.9bn after the takeover puts the enlarged group in fourth place in the stores' league table behind Great Universal Stores, Sainsbury and Marks and Spencer. And it may not take Asda/MFI long to overhaul GUS.

"The deal gives us a superb platform for retailing in the 1990s," said Noel Stockdale, Asda's chairman. "Well, if size means a superb platform he must be right but many in the City, and no doubt more than one of two shareholders, were left nonplussed by the combination.

Unlike other recent High Street takeovers, such as Dixons' purchase of Currys, there is no obvious benefit from putting together a leading food retailer with a specialist, highly successful purveyor of self-assembly furniture.

While the cynics raise a wry smile when merging companies prattle on about synergy and putting two and two together to make six, seven or eight in this instance not even the two companies suggest that there is anything obviously to be gained—in terms of buying power, joint developments, etc—by standing the groups together.

The main argument for acquisition appears to turn on management capabilities. MFI is continuing to demonstrate rapid growth in a largely mature domestic furniture market thanks to the strength of its management. Asda's forays

into non-food retailing have not always proved the most successful of ventures and while there is little doubt that its managers are capable food retailers, there may have been a feeling in the board room that some fresh aggressive members might not come amiss. And that thought has been echoed in the City this week as Asda's price rose on news of the takeover.

There is also the vague possibility that the combination will give the group a better position in bidding for out-of-town supermarket sites. For while the store men across the country eagerly talk of retailing in the 1990s, they are equally convinced of the need for more and more major retailing sites outside of town centres.

The North has already experienced a high degree of such supermarket sites but in the densely populated South (where the retailers think consumers' pockets are lined with gold) it is far more difficult to land planning permission and the few sites that are available come at a high price.

So the scramble for sites is on, hence Tesco's call on shareholders for £145m. Since

the food retailer does not want to take over a consumer durables store—leastways not at the moment—the plant is to use the money to accelerate its new store opening programme. This year Tesco is planning to add 14 stores to its list at a cost of £200m. In truth the new store sheet could have stood £50m or £75m of debt without difficulty but the ability to make a good return on its capital base is at last proven and shareholders are unlikely to have any qualms about stamping up for another equity issue.

The success story behind the results is undoubtedly Zantac, Glaxo's anti-ulcer drug. The City thought that it was well and truly plugged into the growth—and potential growth—of this product since the beginning of the 1980s but the market had failed to keep abreast of its expansion, especially in the U.S. where the drug was introduced in the middle of 1983.

But the interim figures soon changed the market's perception. Against outside forecasts in the region of £155m to £170m, Glaxo sold forward with a two-thirds leap to £195m pre-tax for the six months. Even stripping out £12m of currency gains the performance was far in advance of anything the most ardent of optimists thought likely. The praise was glowing and the brokers' "buy" recommendations were soon landing on their clients' desks.

The success story behind the results is undoubtedly Zantac, Glaxo's anti-ulcer drug. The City thought that it was well and truly plugged into the growth—and potential growth—of this product since the beginning of the 1980s but the market had failed to keep abreast of its expansion, especially in the U.S. where the drug was introduced in the middle of 1983.

By last December, the closing date for the half-time figures, Glaxo's Zantac had around 38 per cent of the American anti-ulcer drug market and that figure is now up to 40 per cent.

Around the rest of the world the products market share continued to improve—to around 45 per cent for both the UK and Germany. And Zantac is now breaking into Japan though the going may prove more difficult with an indigenous manufacturer about to launch a rival product to Zantac and the older established Tagamet—a Smith Kline drug.

Such is the hectic pace of Zantac's growth that some of the more cautious around the City are talking of Glaxo as a "one product company" with far too much dependence upon a single drug. Such doubts are overlooked. While Zantac continues to grab the headlines the old stagers (relatively in the drug world) such as Ventolin are still proving their worth. And Glaxo's ability to come up with another winner from its own R and D cannot be ignored.

No matter how Tootal's board wriggles in another fight, if a bidder could count on the Entrad and Rothschild holdings he is virtually home and dry—and a bid of 80p or so for Tootal could see its share price disappear.

The market is now talking of

£420m pre-tax for the full year, rising to something over £500m for the year ended June 1988. That drops the pros-



Uplift for Glaxo

pective earnings multiples down to 15x and then to about 13. The currencies may not be swinging in Glaxo's favour but that is arguably neither here nor there given the underlying trading performance.

Taylor Woodrow

Few would accuse Taylor Woodrow of being garrulous at the time of its preliminary figures, but there was no doubt that the sharp improvement in pre-tax profits—a rise from £35.9m to £42.5m for the full year—was built largely upon an improvement in North America.

According to the geographical breakdown—the group is not adverse to splitting down its business at this stage, just saying much about it—the American accounted for almost £6m of the pre-tax rise with an increase to £12.9m. Currency translation has inevitably flattered the figures but even so, as with Glaxo, the underlying trend is strongly upwards with its housing activities in the U.S. and Canada achieving significant strides forwards.

Taylor Woodrow is reaping the benefits of the heavy investment over the past few years in areas such as Sarasota. Despite the high costs of raising money in the U.S. (by past standards anyway) for house buying, the Monarch subsidiary has undoubtedly enjoyed some excellent progress—the minority charges of £2.7m against £1.5m give some clue as to its progress. Monarch could have accounted for half the U.S. profits growth.

But if the North American continent was proving kind to the group, closer to home life has not been so happy. Pre-tax profits from the UK operations fell by almost £2m to £16.7m. Housing was down, with Scotland taking much of the blame, while the contracting market had been depressed, with competition hotting up and margins seeming to narrow by the month.

So where does all this leave prospects for 1985? The UK looks capable of fighting back to say, profits of close to £20m pre-tax. North American currency gains cannot be repeated but profits there should be able to creep ahead, while other overseas areas—dominated by the fairly stable profits from the Middle East—seem set for further modest growth. All in all, profits this year could be in the region of £45m pre-tax.

Terry Garrett

MARKET HIGHLIGHTS OF THE WEEK

| | Price y'day | Change on week | 1985 High | 1985 Low | |
|-----------------------|----------------|-------------------|--------------|-------------|-------------------------------|
| F.T. Ordinary Index | 978.8 | +11.0 | 1,024.5 | 928.7 | Interest rate optimism |
| F.T. Gold Mines Index | 515.2 | -78.3 | 536.9 | 439.5 | Currency influences |
| Anvil Petroleum | 60 | +12 | 62 | 47 | Bid from Berkeley Expln. |
| Bougainville | 113 | -21 | 144 | 106 | Weak Australian dollar |
| Cartwright (R.) | 168xd | +66 | 168 | 106 | Bid from Henderson Group |
| Glaxo | £12 | + 1 | £12.5 | £10.2 | Bumper interim figures |
| Harris Queensway | 212 | -22 | 234 | 168 | Encouraging analysts' views |
| Lamont Hldgs. | 158 | +15 | 164 | 87 | Good preliminary figures |
| MFI Furniture | 283 | +25 | 313 | 209 | Merger with Assoc. Dairies |
| Midland Bank | 360 | +32 | 373 | 323 | Recovery after recent fall |
| Minet Hldgs. | 245 | -42 | 307 | 231 | Syndicate facing heavy losses |
| NEI | 86 | + 6 | 87 | 76.4 | Cheerful statement on outlook |
| Pendland Inds. | 660 | +73 | 665 | 297 | Excellent annual results |
| Reed (Austin) A | 125 | +19 | 125 | 95 | Annual results |
| Rowntree Mackintosh | 405 | +15 | 412 | 342 | Revived bid speculation |
| Stock Conversion | 492 | +22 | 492 | 412 | Bid speculation |
| Taylor Woodrow | 398 | +30 | 398 | 353 | Good annual results |
| Thorn EMI | 441 | +31 | 444 | 395 | Management changes/bid talk |
| Ward White | 280 | +42 | 280 | 197 | Bumper full-year profits |
| Woolworth | 340 | +55 | 365 | 555 | Persistent demand |

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The various figures come out a bit different when expressed

Changing face of RTZ

MINING

KENNETH MARSTON

group's big CRA Australian arm suffered a 59 per cent fall in earnings—it lost money in the second half—which were particularly hit by low prices for aluminium and copper.

On the other hand, the strength of the dollar last year boosted overseas earnings when translated into sterling, particularly in the case of those from the U.S. RTZ Borax.

The UK industrial interests of RTZ did well and, overall, RTZ achieved a creditable increase in net profits to £210.7m, or 68p per share, against £172.5m in 1983.

The share market, as usual, was expecting better and lowered the price of the shares, although it was satisfied with the increase of 2p to 20p in the dividends total. RTZ does not think that its return on capital is nearly good enough and aims to improve things with a revamped management structure.

While the group is less dependent these days on movements in the more volatile metal prices, they are still important. RTZ is hoping for a pick-up this year in the prices of aluminium and copper, but if the U.S. economy is really running out of steam this will not help demand for these and other metals.

At the same time, the decline in the dollar points to the fall this year in the group's valuable exchange gains, especially on the big revenue from RTZ Borax.

If the Australian dollar also remains weak this will not hurt CRA which should now be doing rather better.

Of the other interests the UK industrial side seems unlikely to maintain the recent pace of growth this year, but energy activities will receive a boost from a full year's benefit of the 29.8 per cent stake in Enterprise Oil which was acquired last July.

On balance, it seems at this stage of the game that RTZ will do well to maintain a modest increase in earnings

this year. On this basis the shares look unexciting on a yield of 5 per cent, but there could be a further increase in the well-covered dividend.

The March quarterly reporting season has been completed by the South African gold mines this week with very mixed results as far as net profits are concerned.

All the taxpayers have been subject to the increases imposed in the recent Budget, but the charges have varied in line with accounting procedures and movements in offsetting capital expenditure. There have also been some sizeable fluctuations in the matter of cost control.

The one thing in common, for most mines at any rate, has been the exchange rate advantage of a higher rand price for their gold despite a fall in the dollar price during the period. The recent fall in the dollar, however, could lead to a reversal in this respect, which is not going to help earnings for the current quarter.

What is needed is a rise in the gold price in real terms—in all currencies—but so far the price has refused to be carried away. Even so, mine earnings and dividends are in good shape and the Anglo-American Corporation group's Orange Free State producers have boosted their interim dividends this week after the cuts of a year ago.

• Lang Hancock, Australian pioneer iron ore prospector and magnate, bopes at last to develop the Marandoo iron ore deposit in which he has a half share, the rest being owned by CRA. He has signed a barter deal with the Romanian Government whereby the latter will supply much of the mining

equipment needed for the A\$350m (£175m) venture.

In return the Romanians would get part of its output, 53m tonnes of ore delivered over 15 years. The open-pit mine could be in production within two years at a minimum annual rate of 10m tonnes and a life of some 20 years.

Both partners would be responsible for marketing their shares of production, CRA, which presumably would have to provide its half of the financing costs, is so far uncommitted on the venture and discussions continue with Hancock for a mutually satisfactory agreement.

• Remember Hemerdon Mining and Smelting which with the

big U.S. Amax aimed to mine the Hemerdon Bell tungsten project in Devon, not far from Plymouth? The company is now selling its ball-interest in the venture to Amax in return for 300,000 of the latter's shares.

This will leave Hemerdon Mining and Smelting as a holder of Amax and little else. Meanwhile, a further application for planning permission for the mining venture has been submitted, incorporating suggested alterations and this could succeed.

The mine would not be payable at present metal prices, but Amax can take a long-term view because the production stage would be some three to five years away. The deposit has a life prospect of about 20 years and could provide some much-needed employment in Devon.

GOLD MINE NET PROFITS

| | March quarter | December quarter | September quarter | June quarter |
|------------------------|---------------|------------------|-------------------|--------------|
| | £000s | £000s | £000s | £000s |
| Blyvooruitzicht | 11,927 | 16,569 | 15,527 | 13,847 |
| Bracken | 3,313 | 3,057 | 3,905 | 2,413 |
| Buifelsfontein | 75,158 | 69,981 | 51,851 | 54,244 |
| Deelkraal | 15,652 | 13,899 | 16,981 | 9,013 |
| Driefontein | 11,457 | 12,154 | 16,097 | 16,262 |
| Driekopseiland | 11,554 | 109,726 | 91,779 | 104,607 |
| Ergo | 31,517 | 91,219 | 31,269 | 31,262 |
| ERPM | 27,718 | 19,800 | 13,931 | 13,935 |
| East Transvaal | 1,388 | 24,190 | 23,250 | 31,243 |
| Elandsrand | 3,969 | 5,086 | 4,706 | 7,371 |
| FS Geduld | 34,215 | 36,913 | 29,188 | 18,850 |
| Grootvlei | 27,595 | 28,144 | 28,744 | 21,041 |
| Harmony | 36,497 | 33,781 | 25,279 | 32,263 |
| Hartbeest | 31,280 | 27,988 | 26,579 | 34,179 |
| Kinross | 16,494 | 17,431 | 15,324 | 11,155 |
| Kloof | 57,579 | 56,766 | 48,586 | 47,434 |
| Leslie | 4,217 | 5,131 | 3,289 | 3,586 |
| Libanon | 12,616 | 12,030 | 9,535 | 11,601 |
| Lorraine | 12,734 | 11,763 | 7,571 | 2,285 |
| Marievale | 1,065 | 1,047 | 910 | 200 |
| President Brand | 58,686 | 44,986 | 65,488 | 33,694 |
| President Steyn | 1,079 | 2,930 | 50,955 | 28,828 |
| Randfontein | 57,642 | 14,475 | 45,333 | 35,397 |
| St Helena | 15,700 | 21,881 | 16,148 | 14,308 |
| South African Land | 1,329 | 2,477 | 1,190 | 957 |
| Stilfontein | 9,072 | 24,541 | 6,320 | 11,397 |
| Uitseis | 10,685 | 11,130 | 12,806 | 6,830 |
| Vaal Reefs | 114,265 | 130,682 | 63,485 | 111,742 |
| Ventersdrift | 5,799 | 4,774 | 3,325 | 2,533 |
| Village Main | 327 | 269 | 247 | 366 |
| Volksfontein | 785 | 940 | 786 | 726 |
| West Rand Consolidated | 2,345 | 2,475 | 2,079 | 1,533 |
| Western Areas | 1,947 | 18,475 | 16,210 | 15,700 |
| Western Deep | 67,372 | 110,276 | 82,930 | 68,486 |
| Western Holdings | 47,444 | 46,892 | 61,467 | 33,680 |
| Winkelbaai | 13,978 | 16,887 | 16,615 | 13,574 |

* Re-stated. † State aid overclaimed. ‡ After receipt of State aid.

DEBBIE MOORE's ambition fair takes the breath away: "I want," she says, unblinkingly, "the Pineapple brand name to get as well known worldwide as Lee Cooper or Levi."

Mentioning Pineapple Dance Studios, a tiny, albeit glamorous member of the USM, in the same breath as two of the world's best-known names in blue jeans, may at first seem a trifle cheeky.

Yet Ms Moore—keen to put behind her a spate of unwelcome publicity this week over the break-up of her marriage to former Pineapple finance director, Norris Masters—shows you with statistics and leaflets to show how Pineapple is rapidly branching out from its dance studio origins into an international franchising and licensing operation.

Pineapple is one of two small USM stocks at the glamorous end of the leisure market to be in the news this week. The other is Scanro, Britain's biggest manufacturer of windsurf boards, which reported 1984 profits sharply up, from \$89,191 to \$439,286.

That was well above the \$410,000 forecast when Scanro came to the market last August, and the market is looking for over \$600,000 this year.

There is precious little in common between manufacturing sailboards and running dance studios, yet the two companies do share one characteristic common to many USM companies: floated on the strength of a single good idea in a fashionable market niche: the paramount need to stay closely in touch with the fickle whims of the public.

"The windsurfing market," points out Mr David Sawyer, Scanro's chairman, "is highly design conscious. People like to have pink sails one year and blue the next." Add to that a quickly changing technology and a very large replacement market, and the successful manufacturer needs to have a

"The aerobics boom is dead," says Ms Moore, "now everyone wants to tap dance" and Pineapple's mix of classes has had to change to reflect that.

But there's a ceiling to the amount of money that can be

Unlisted Securities Market

coming off the production line.

Scanro used to import a substantial proportion of its equipment but found this left it vulnerable to changes in fashion. As a result, it has committed substantial capital investment over the past year in a sail-making unit to bring all its production in-house, and thus strengthen its grip on the market.

Investors are often wary of single product stocks, yet Scanro believes the windsurf market has great scope for expansion—particularly in the U.S., where it plans to concentrate a lot of sales effort—and it has no ambitions to diversify beyond its mainstream activity.

That cannot be said of Pineapple, though its dance studios remain its core activity—“a series of excellence” which fix the brand image it is now so keen to take into other areas.

Pineapple's original Convent Garden studio has now been joined by two more in London. A fourth opened in New York last September. It was several months behind schedule but is a potentially important foothold in the huge U.S. market for franchise and licence deals.

There are few signs of the international fitness boom fading, though specific fashions in ways of keeping fit are changing all the time—and Pineapple has to keep in close touch with its members to reflect these fads.

"The aerobics boom is dead," says Ms Moore, "now everyone wants to tap dance" and Pineapple's mix of classes has had to change to reflect that.

But there's a ceiling to the amount of money that can be

made out of dance centres: you can only pack a finite number of classes into one building and membership fees cannot be raised too rapidly. Pineapple has had approaches about dance centre franchises in several major U.S. cities, including Dallas and Los Angeles, but the studio business could become peripheral in terms of income (though still central to the company's image) as the company licensing its brand.

As Ms Moore sees it, the key to successful exploitation of this potential is three-fold: first, remaining in close touch with changing fashion trends. Pineapple should, as well, equip itself to do; second, retain sufficient control over the design and packaging of goods to ensure the maintenance of Pineapple's quality image; and third, strong management.

The last item brings us back to this week's news—the resignation from Pineapple's board of co-founder Masters, which, after a few hours, sent the share price down 9p to 57p, though it has since recovered to 70p.

In fact, says Ms Moore, her husband had not been involved in the day-to-day running of the company for nine months, and his resignation was merely the last act in sealing a new management team under a recently hired chief executive, Mr Robert Jennings, a marketing specialist formerly with Lee Cooper who will spearhead the licensing drive.

The plethora of licensing agreements promises to produce some attractive returns in 1985. But the late opening of the New York centre—already in the black—is likely to hold back profits for the year to July to little more than £200,000, just 5 per cent up on 1984. That is hardly sufficient to set glamour stock investors dancing in the streets.

Martin Dickson

Record figures for Scottish Widows new premiums in 1984

The Viscount of Arbuthnott, DSC reporting as Chairman of Scottish Widows' Fund and Life Assurance Society.

BONUS DECLARATION

The rates of reversionary bonus declared for 1984 are at the same record levels as for 1983, 5.50% on existing sums assured and vested bonus for ordinary with profits policies and 6.40% for with profits policies in our pension fund. Terminal

bonus rates have been substantially increased, as have cash bonuses for with profit group pension schemes.

What we still do not consider satisfactory, is the basis which life offices use for their new business quotations, using current interim bonus rates and showing terminal bonus based on current rates. We shall be much happier when industry-wide agreement is reached on a basis for producing quotations which are not extravagant and over-optimistic.

PENSIONS

The first enquiry chaired by the Secretary of State for Social Services into 'personal portable pensions', now referred to as 'personal pensions', resulted in a consultative document which left much unresolved, and we are still waiting for the results of the wide-ranging main inquiry.

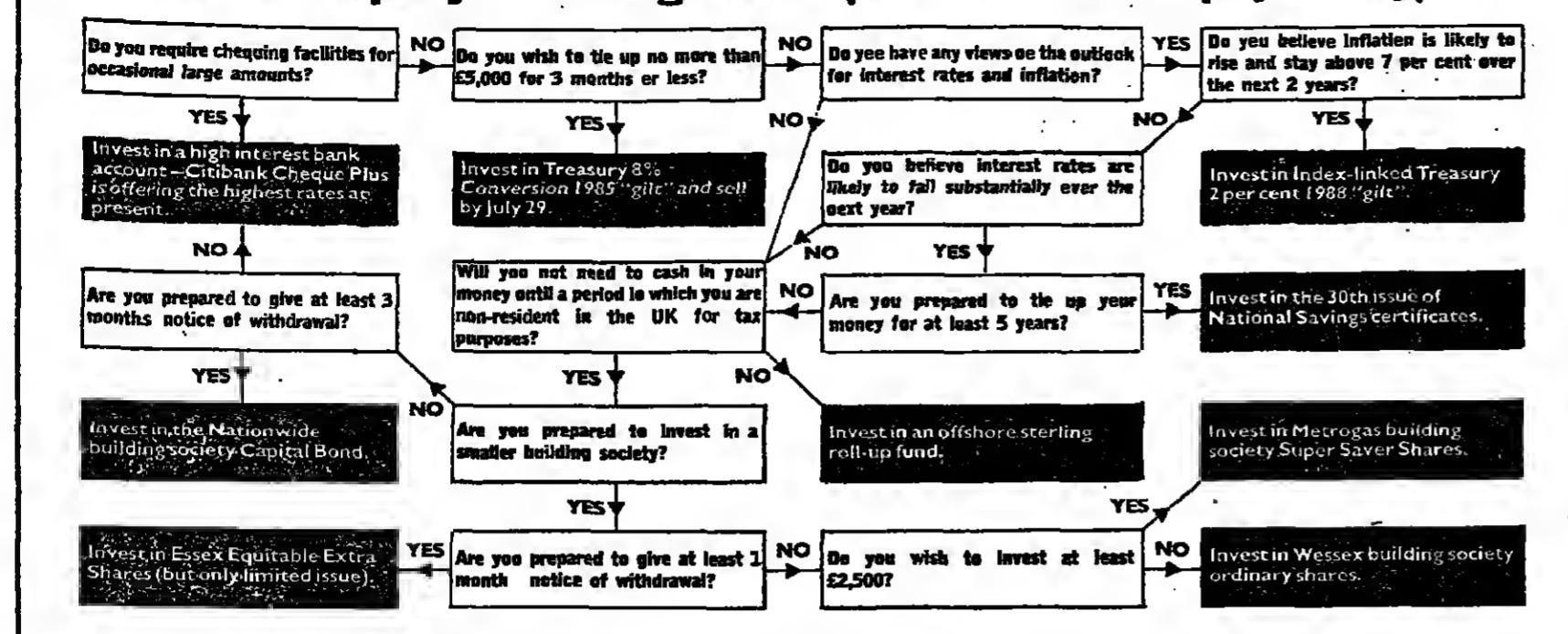
We welcomed the recognition in the consultative document that the arrangements for members of pension schemes to opt out of final salary schemes should be introduced on a basis that would not threaten the stability of such schemes. We are however still concerned that members who do exercise the option will not make enough provision for their retirement at an early enough stage, and may make a decision without a full understanding of what is really a very complicated choice, perhaps without fully appreciating the implications for themselves and their dependants.

PROBLEM No. 564



YOUR SAVINGS AND INVESTMENTS

Where to put your savings now—(for basic rate taxpayer only)



CLIVE WOLMAN spotlights the best deal for basic rate taxpayers

IF YOU'RE one of the 86 per cent of UK taxpayers who pay tax at the basic rate of 30 per cent, the building societies have never been able to offer you a better deal than at present.

Not only are most interest rates in the economy close to their highest this century in real terms, after adjusting for inflation, but building society interest rates over the last month have been pushed up further just as market interest rates have been falling. The building societies, with their 25m depositors, 6m borrowers and often unwieldy management structures, are usually slow to react to changes in market interest rates.

When market rates are particularly volatile, as they have been over the last four months, the societies can get out of line. On this occasion it has worked to the advantage of investors and the detriment of borrowers. Since the publication, 10 weeks ago, of the last decision tree advising savers where to put their money, another change has enhanced the attractions of building society investments for basic rate taxpayers. This was the Government's surprise announcement on February 28

that the accrued interest on Government gilt-edged securities ("gilts") and other bonds would be subject to income tax as if the interest had been paid out in the form of dividends.

If, however, you own only £5,000 of gilts at its redemption value, you escape the new rules (see article, page 11).

So a small investment in gilts for a short period may still be attractive.

But the highest post-tax yields from a longer term investment in conventional gilts over nine to five years are now only slightly above 8 per cent, more than 2.5 percentage points below the best building society offers.

If interest rates fall sharply, you could make a capital gain on your gilt holdings. But at present the interest rate differential is so unfavourable that it hardly seems worth taking the risk—for if interest rates fail to move down further, you will suffer a capital loss.

If you feel strongly that the likely direction is downwards, the 30th issue of National Savings certificates offers the highest returns over five years. For those who wish to make regular savings of up to £100 a month, rather than to invest a lump sum, the National Savings Yearly Plan offers a 9.28 per cent annual return over five years.

Although gilts have been left

far behind the building societies in the last month, stiffer competition has come from the high interest bank accounts (or trust funds). They offer returns close to the market rate of interest and also facilities for writing cheques. The Citibank Cheque Plus account imposes no restrictions on the size and frequency of cheques.

Some of the accounts and funds have their interest rates quoted daily in the Financial Times (see page 29). But beware. Their rates will be cut much more swiftly than those of the building societies, if market interest rates continue their recent fall.

An alternative version of a high interest bank account or trust fund is that based offshore (usually in the Channel Islands), where the interest is "rolled-up" until the investor withdraws his money. Only then does income tax have to be paid. If you are not a UK taxpayer at that time, your returns will be much higher than you could expect from other savings media.

Between the individual building societies, differentials have narrowed slightly over the last two months. But the premium you get on an investment in a smaller society is still large enough to make it worth shifting your money around.

There are several drawbacks to investing in a smaller

society, none of them are major. The most obvious is that you will probably have to send off a cheque in the post and communicate by letter, rather than by calling at a local branch.

If you intend to apply for a building society mortgage within the next few months, it may also be worthwhile checking on which societies are charging the lowest interest rates to borrowers. Normally the smaller societies which offer the highest rates to investors are not the cheapest sources of finance for mortgagors.

One further source of worry is that there is a slightly higher risk that a small building society could default. The societies recommended here are, however, covered by the Building Societies Association protection scheme, although the cover is for only 80 per cent of your capital.

A decision tree advising

higher rate taxpayers on where to put their money will appear in these pages within the next few weeks.

The detailed figures on building society rates can be obtained from Building Society Choice, Riverside House, Rattlesden, Suffolk. Tel: (04493) 287.

"Capital Gains—The Key Figures for Calculating Your Tax," a booklet containing the April 1985 and March 1982 values of shares, unit trusts and other assets, will be available shortly. Copies of the booklet, price £4.50 each including postage and packing, available from Nicola Banham, Publicity Department A, Financial Times, 10 Cannon Street, London EC4P 4BY. Telephone: 01-248 8000 ext 4985. Cheques should be made payable to the Financial Times and should accompany your order.

CURRENT INTEREST RATES AFTER THE DEDUCTION OF BASIC RATE TAX

| Savings product | Quoted rate % | True rate %* | Restrictions |
|-----------------------------|---------------|--------------|----------------|
| Wessex Ordinary Shares | 10.10 | 10.36 | None |
| Nationwide Capital Bond | 10.51 | 10.64 | 3 mths' notice |
| Metrogas Super Saver | 10.55 | 10.95 | Min. £2,500 |
| Essex Equitable Extra | 10.55 | 10.96 | 1 mth's notice |
| Citibank Cheque Plus | 10.00 | 10.28 | None |
| National Savings 30th issue | 8.85 | 8.85 | After 5 yrs. |

*On a fully compounded basis.

George Graham shows an incentive to stay loyal

TSB punters have priority

FOR THE LAST four months, the Trustee Savings Bank's 6 million customers have been given an irresistible incentive to stay loyal, on matter what they think of the quality and expense of their banking services.

But from next week they will be given more opportunity to make proper use of both their money and their bank while they wait to take a share of the profits of the TSB stock market flotation.

The TSB is to abolish bank charges from Monday morning for all customers, provided their accounts remain in credit. This brings it into line with banks like the Midland and the Royal Bank of Scotland.

But they will have to be careful not to slip into the red even for a day, lest they be stung for three months with some of the steepest charges around—35p per transaction.

But the real incentive to stick with the TSB arises from the priority treatment they are likely to receive in buying shares in the group.

Because the TSB has no identifiable owners, proceeds of

the share flotation go straight back into the group. This has

allowed the TSB to be

more generous.

The Premium Deposit Account, which requires

28 days' notice of withdrawal

to receive a premium over their original offer.

"Practically, we can't see

how they can go through the flotation without some sort of a premium," says Anthony Mizrahi of stockbrokers Gleave & Grant.

So those who have had

accounts at the TSB at least

since December 17 last year

can expect to benefit from the

allocation of shares, though the

shares have yet to be worked out

by Lazard Bros, the merchant

bank handling the flotation.

December 17 was fixed as

cut-off date to stop a flood of

stock market punters from

opening accounts solely in

order to benefit from the share

offer.

Accounts of only a few

pounds which have lain dormant

for many years will also qualify

for priority in the flotation.

Customers with a passbook lying

at the bottom of a drawer would

be well advised to take it along to their local branch to make sure their names and addresses are correctly recorded.

Customers in the old Savings account, now called the Service Account, would not find that much interest has been credited to them in the intervening years. The account pays just 2.5 per cent net of basic rate tax.

But some TSB accounts are

more generous. The Premium

Deposit Account, which requires

28 days' notice of withdrawal

to receive a premium net

equivalent to 13.83 per cent for a basic rate taxpayer.

Moneybuild, a five-year savings plan which allows no withdrawals but which can be ended completely after two years, is currently paying 7.5 per cent net, with an extra 1 per cent for anyone over 60 years old.

TSB also offers a one-year

fixed term deposit paying 7.5

per cent net, with the option of

receiving it monthly.

(Accounts at TSB Scotland are slightly different.)

The clause also seemed to

rule out bed-and-breakfasting.

But the Inland Revenue has

said that, if necessary, an

amendment to the bill will be

introduced to ensure that this

interpretation cannot apply.

Clive Wolman looks at this week's Finance Bill

THE BELOVED British institution "bed-and-breakfast" is set to return to the Stock Exchange as a result of the legislative changes detailed in this week's Finance Bill.

Up to 1982, bed-and-breakfasting was a popular annual activity amongst stock market investors and an important source of income for stockbrokers.

Its purpose was to allow investors to establish capital gains or losses on securities before the end of the tax year, no April 5, so that they could make the maximum use of their annual exemption from capital gains tax (CGT). In the current year, this amounts to £3,900 of gains after inflation adjustment.

A gain or loss was established by selling a security one evening shortly before the

close of the stock market and buying it back again early the next morning, preferably before breakfast, to minimise the risk of a price change. A host of associated practices sprang up on the Stock Exchange, involving special deals with the jobbers, to minimise the costs of the transactions.

The Parliamentary draftsman of the 1982 Finance Act with callous disregard for tradition, made the practice an incidental victim of the technical legislation introducing the CGT inflation-adjustment provisions.

Bed-and-breakfasters were left with only the possibility of taking an expensive "weekend break", selling and buying stock back between Stock Exchange account periods.

Now the practice has been given an equally incidental reprieve, a by-product of the extension of the indexation provisions announced in the last month's Budget. The Finance Bill will now permit investors to claim the indexation allowance only on assets held for at least 18 days.

Now the practice will be

abolished by a full month's indexation relief from CGT under the wider inflation adjustment provisions announced in the Budget. The Finance Bill will

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in the 1700s and 1800s
it was the privilege
of only a few to have gold.

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The Gold Card from American Express is an exceptionally powerful financial resource.

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YOUR SAVINGS AND INVESTMENTS

When did your insurance bonds last see the light of day?

Over the last few years you may have purchased a single premium insurance bond. It may be called an Inheritance Trust, a Capital Accumulation Plan, Maximum or Flexible Investment Bond or a Discretionary Gift Scheme. Whether for Income Tax or Capital Transfer Tax efficiency bonds can provide very good returns provided they are invested in the right markets.

Markets can however change. Recognising this, insurance companies provide free low-cost switching facilities to enable you to invest in the right markets at the right time.

There is just one problem. When you last advised to switch and what to switch into. Today, your bonds may be invested in the wrong markets and your tax position may have changed.

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Address _____

George Graham on all-in banking services

All your eggs in one basket

PICKING THE best bank account can be bewildering. The account that pays interest on your balance may seem a good thing in February, when you are still in credit. But when you dip into the red in March it will hit back with stiff charges for each transaction.

Many people trying to make the best of their bank balances use a combination of accounts — one allowing you to write cheques, pay standing orders and direct debits, and withdraw cash, and one paying interest but offering few banking services, to hold surplus funds.

You can sweep money backwards and forwards, keeping enough money in the current account to keep bank charges to a minimum but not so much as to waste the interest you could be earning.

You have to keep an eye on it. Many is the investor who has miscalculated how long a cheque would take to clear, and has found himself paying bank charges for three whole months because his balance slipped

below £500 for a day or two.

You can have it all done for you. The Alliance and Bristol and West building societies both offer composite services that link their own interest pay-off accounts with a current bank account, and automatically sweep money from one to the other.

Save & Prosper was one of the first groups to offer a high interest cheque account, in conjunction with its parent Robert Fleming, and it now thinks it has another answer to the problem.

The Classic High Interest Bank Account is intended to offer an all-in-one banking service which avoids the need to juggle money between current accounts, deposits and building societies but with a lower minimum initial deposit than for its earlier Premier plan.

You must open your account with at least £500 and can make deposits and withdrawals in any size or number you like. You pay a flat charge of £2 a month

if your balance is less than £1,000 at the end of the month.

This interest rate will be 5 per cent net of tax on the first £500, and a market related rate — currently 9.21 per cent — on the rest. If you keep more than £5,000 you will receive the market-linked rate on the entire amount.

The account also gives you a Visa card, but unlike most Visa cards — such as Barclaycard or TSB Trustcard — it will not operate as a separate credit card account.

With Barclaycard you receive a bill at the end of the month and can pay whatever proportion you choose above a fixed minimum.

With the Save & Prosper Visa card you will not receive a separate bill. Any payments you make with the card will instead be debited directly from your account.

Cash withdrawals will be debited immediately and purchases at the end of the month, so you will have the same

period of grace as you would with a credit card. The only difference is that cannot choose not to pay some of the bill — though if it is too large for your account it can be converted into an automatic over-draft.

Save & Prosper can its own accounts check on how much it would cost a typical customer to bank with various organisations. Using the same pattern of credits and debits over six

NET INTEREST (+) AND CHARGES (-) ON CURRENT ACCOUNTS

| Average balance £250 | Average balance £1,000 |
|----------------------------|-----------------------------|
| Minimum balance £100 | Minimum balance £1 |
| 1. B & W Moneylink +0.74 | 1. S & P Classic +3.23 |
| 2. Alliance Banksave +0.19 | 2. B & W Moneylink +28.32 |
| 3. Barclays Lloyds +0.00 | 3. S & P Promler +23.26 |
| Midland +0.00 | 4. Dunbar & Co +23.09 |
| National Giro +0.00 | 5. Alliance Banksave +13.44 |
| NatWest +0.00 | 6. Royal Bank +5.30 |
| TSB +0.00 | 7. Barclays 0.00 |
| Williams & Glyn's +0.00 | Lloyds 0.00 |
| 10. S & P Classic -6.00 | Midland 0.00 |
| 11. S & P Premier -12.00 | National Giro 0.00 |
| 12. Dunbar & Co -14.00 | Williams & Glyn's -6.02 |
| 13. Co-op Bank -15.00 | 12. NatWest -10.56 |
| 14. Royal Bank -18.00 | 13. TSB -27.30 |
| | 14. Co-op Bank -32.40 |

Sources: Save and Prosper

for its management but says that this is more than made up by the enhanced performance. Anley says his fund's average performance is 9.7 per cent better than the median international equity fund.

But things can go wrong, as with any system based on technical analysis and trend trading. In September 1984 the Ibis fund lost about 6 per cent of its asset value because of the effect of currency movements. It sold out of the American stock market, but when it wanted to buy back in again, the rising dollar meant that it got fewer units for its money.

Anley has now adjusted his programme to avoid this, by widening the automatic stop-loss precautions. "If you let a computer run a fund on its own you can cause a lot of trouble," he says.

George Graham looks at income bond flexibility

Switched on to the fast track

Buying a single premium bond from an insurance company gives you the chance to make active investment decisions and switch rapidly from one market sector to another without the high charges of unit trusts. But few investors make proper use of this switching facility.

Last week, Police Firemen's Fund, a London-based insurance broker who specialise in all sorts of risk, and then put to provide continuing advice on which sectors to invest in.

But a number of insurance brokers say they do no claim

in competence in judging international stock markets. They pass these clients on to stockbrokers if they want to, or to specialist advisers.

Some stockbrokers will provide the service free if they are already handling a large port-

folio of shares for you on which they earn commission.

There are, however, insurance brokers who will provide switching services for their clients. To keep down administrative costs, most will pool their clients in a private managed fund within the larger insurance bond, rather than running each client's bond separately.

The Financial Services of Windsor runs a fund in such a private managed fund within the Target Life Investment Fund.

"This is one of many brokers to use the Target bond for its clients, since it offers free

switching. But whereas most switch only rarely, and usually only when Target's fund managers advise them to, this moves its money around often and aggressively — sometimes as many as six switches in a single week.

Richard Anley, managing director of Ibis, says the philosophy is to make continuing small profits on deals, rather than aiming for a single large gain over a longer period without any control over the day-to-day movements.

Anley says that at any one

week 70 per cent of all funds are going nowhere; only 30 per

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FINANCE AND THE FAMILY

Agent will pay tax on flat rent

Declaration of trust

I own shares in an investment trust which I wish to transfer to my wife. Can you tell me the simplest and cheapest procedure for doing this? Do I have to pay stamp duty and how much would it be?

I may also wish to transfer units in a unit trust to her. Can this be done simply by writing to the trust or is commission payable?

To effect transfers of the shares or units you would have to execute formal transfers and incur stamp duty. A simpler course would be to execute a declaration of trust, leaving the shares registered in your name but giving the beneficial interest in them to your wife.

has done for other foreign employees in my type of situation?

We take it that you are (or will be) domiciled in England and Wales (or in Scotland or in Northern Ireland). That being so, the maintenance payments should be deductible in assessing your Swiss pension, by virtue of section 122 (1) (b) of the Income and Corporation Taxes Act 1970 (as amended), provided that your wife does not come to live in the UK. You may like to write to the Inland Revenue Public Enquiry Officer, Somerset House, Strand, London, WC2R 1LB, for a copy of the free booklet IR20 (Residents and non-residents: liability to tax in the UK).

CGT and parents' home

I shall be glad if you will kindly let me have guidance in connection with the following situation concerning a friend of mine.

In 1967 he purchased for the sum of £2,650 a house which has since been the sole residence of his parents. They were then and are now of modest means but do not satisfy the definition of dependent relative in the legislation concerning except assets for Capital Gains Tax purposes. The property now has a market value of approximately £30,000 and he is becoming concerned about the situation which might arise on a sale of the property. Are you able to suggest any means by which the impact of Capital Gains Tax on a sole could be mitigated?

If he can conveniently go to live with his parents for 3 (shortish) time, an election under section 101 (5) (a) of the Capital Gains Tax Act 1979, followed by a notice of variation, could reduce the prospective chargeable gain - by virtue of section 102 (2), as amended.

It is difficult to give a really helpful reply, without far more detailed background facts and figures, because the CGT rules are intricate, arbitrary and capricious.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Family home and CTT

I lived at home with my parents at the age of 25, but at that time expected and hoped to get married; I did not purchase a property. I had a good income and could easily have bought a house at that time. Now, after 27 years, I am still living at home. House prices have raced ahead faster than the inflation rate while my income has not kept pace with inflation. I could no longer afford to buy the same house that I could have purchased easily when I was 25. I will probably need the income from my savings to supplement my pension, especially as I may have to retire early for health reasons. The problem is - how do I cope with CTT when my parents eventually die? My home is their home, but of course it was purchased by them and is in their joint names. When eventually I inherit the house which already has a market value of well over £200,000, I will certainly not be able to afford the Capital Transfer Tax. I would therefore have to sell what is effectively my lifetime home just to pay that tax; this is something I would be

very unhappy to have to do.

Could you please advise me if

there is a scheme whereby I could inherit the house without the high level of CTT indicated; but at the same time protect my parent's rights and usage during their lifetime. They naturally would not wish to lose control over their home, particularly should I marry as although they trust me absolutely, there is no obvious way by which they could protect their interests.

You should consult with your parents to ascertain if you can set up some schemes to minimise the incidence of Capital Transfer Tax. Thus if they sever their joint tenancy and each leave their half share to you, you will be able to take advantage of £128,000 of CTT exemption if no part of their two exemptions has yet been used. In addition they could give you interests worth £18,000 in the next few months by (a) each giving you £6,000 (two years at £3,000) worth of shares in the equity of the house before 6 April 1985 and a further £3,000 each after 5 April. This could leave you with a manageable tax burden on the death of the survivor which might be met by mortgaging the house.

The contract provides, inter alia, for alimony payments to my wife to continue whilst we are both alive (unless she remarries), albeit geared to my actual income. Under present Swiss tax law, these payments are allowable as a deduction from taxable income, but given that in my case they will be effected directly and not through the courts (as in the case also of court-imposed maintenance payments here), I should like to know whether such payments would be tax-deductible if I were to return to live in the United Kingdom. If this were not the case, would there be any advantage in asking my Swiss employer, when the time came, to pay two separate pensions (one directly to my wife's Swiss bank account in respect of my alimentary liability), as he

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| Dee Corp | 5/83 73% | + 159 | High Point | 12/83 | 140 | + 132 |
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| Toital | 6/83 36 | + 99 | Steel Burnill | 5/84 | 130 | + 73 * |
| Vickers | 7/83 104 | + 145 | Steel Burnill | 5/84 | 130 | + 183 |
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GARDENING

It's springtime—but
the sowing's not easy

BY ARTHUR HELLYER

ONE certain thing is that it is impossible to follow them visibly. The book may say "sow in early April" but if the soil is still soaked with winter in, as it is in my garden, and any others, it is impossible to prepare seed beds let alone sow by seeds. There were two or three days in March when it was just possible to cultivate soil, never, with me, a dry spell sufficiently long to enable seed beds to be made.

So I am still waiting to sow anything outdoors. I have resorted by sowing some things under cover that I would normally sow directly. In the open but I have neither the space nor the time to do a great deal of this and, for most things, I shall wait until weather and soil conditions improve.

I am not greatly worried because it has happened before and so I know from experience that plants have considerable ability to catch up. Rate of growth is largely determined by soil warmth and day length. Even when the weather is much

hinder than it has been this year the soil, except in the mildest parts of Britain, is too cold for most plants to do more than grow very slowly until spring is well advanced and lack of daylight also holds things up. With every week that passes the rate of growth accelerates and often late sowings will overtake earlier ones that have been checked by cold.

There are other ways of helping late seedlings to make up time. One seedling to cover them with cloches, another to eliminate weed competition. Cloches can also help to dry out the soil and so make sowing possible. There are many different kinds, glass, rigid plastic and polythene film. Latterly I have tended to use mainly polythene tunnels because they are cheap, easy to make and there are no breakages. The polythene seldom lasts more than two years but is cheap to replace. One danger with cloches of any kind is that plants beneath them may become too dry and so suffer yet another check from an entirely different shortage. Usually one must water after a week or so because I rarely find that sufficient water soaks in from the sides as the cloche experts so optimistically assure one it will do.

So don't worry if most of the seed packets are still unopened but do be ready to sow directly conditions are right and be sure to have everything on hand to assist in getting things right and in helping plants to make the quickest possible start.

Do not fall into the trap of thinking that extra manure or fertiliser will give seedlings the boost they need. There is an optimum for everything, the instructions on the fertiliser bag are usually realistic and to exceed recommended rates of application is to risk further retarding growth, not accelerating it.

I hesitate to give any general instructions since manures and fertilisers vary so much in strength but for stable manure, which is the bulky organic most likely to be available, a rate of 100 lbs to 68 square yards is right. For a moderately concentrated fertiliser such as Growmore (analysis 7 per cent nitrogen, 7 per cent phosphoric acid, 7 per cent potash) 4 ozs per square yard is the maximum safe application.

Peat contains little or no available plant food and is use-



PROPERTY

Americans rush to beat sliding dollar

BY JUNE FIELD

OVERSEAS INTEREST in prime London property has long been evident. Americans, particularly, are in the mood to snap up quality places in the capital before the pound gets stronger. Some estate agents have had mixed feelings about the seriousness of transatlantic seekers after London bricks-and-mortar. "Some are really only window-shopping," But well-presented properties are now being given second look.

Prime residential property in London costs between £150 and £250 per square foot. A four to six bedroom "showroom" house in New York could top £15,000 (at, say, £125 to the £). Something comparable in London could be about the £800,000 mark.

An American bank bought a house in Kensington Gore recently for one of its top executives. The asking price was £158,000, through Sturges and Sons' Park Lane office. An American company chairman paid a record £139,500 for a one-bedroom flat in St James's.

Strong American interest has been on advantage at the new firm of Hilary Potter and Partners, 55 Park Lane, set up as a furnished letting business six months ago. It was hard going at first. "Now, with the trend for American families to come for a short stay either as tourists or to search for property, the business is well under way."

Apartments designed by David Hicks, at 10 Hyde Park Square, W2, were marketed in dollars from the start. The development is now complete. Prices currently quoted by Chestertons' Connaught Street office, are £510,000 (£43,000), or £780,000 (£680,000). (Currency fluctuations have to be allowed for.)

The service charge for a three-bedroom apartment, £5,500 a year (£6,300), is 25 per cent of the amount payable on similar properties in North America.

Two of Chesterfield's chartered surveyor partners are off in May on a two-week selling trip to the United States, a 10,000-mile tour taking in New York, Boston, Greenwich, Dallas and Florida.

"We feel that we have to serve our clients' best interests by exposing their properties in this new and on-going market place."

Current American clients

have indicated that they will be happy to provide introductions to interested friends and business associates. Hard-sell will follow evening seminars on the history of the large central London estates—titled London landlords provoke interest—and the difference between freehold and leasehold. (In some American states leaseholds are forbidden.)

Chesterfield will carry classy properties in the portfolio—of the calibre of, say, 23 Charles Street, a renovated eight-bedroom, six-bathroom Regency house plus mews cottage in Mayfair, which sold last week to an American for close to the £250,000 asking price. The property had received the full treatment, from marble entrance hall with classic Greek-style embellishments, to the lower regions, with 100-year-old stripped pine floor; and a trompe l'oeil of trellised garden around the Jacuzzi room.

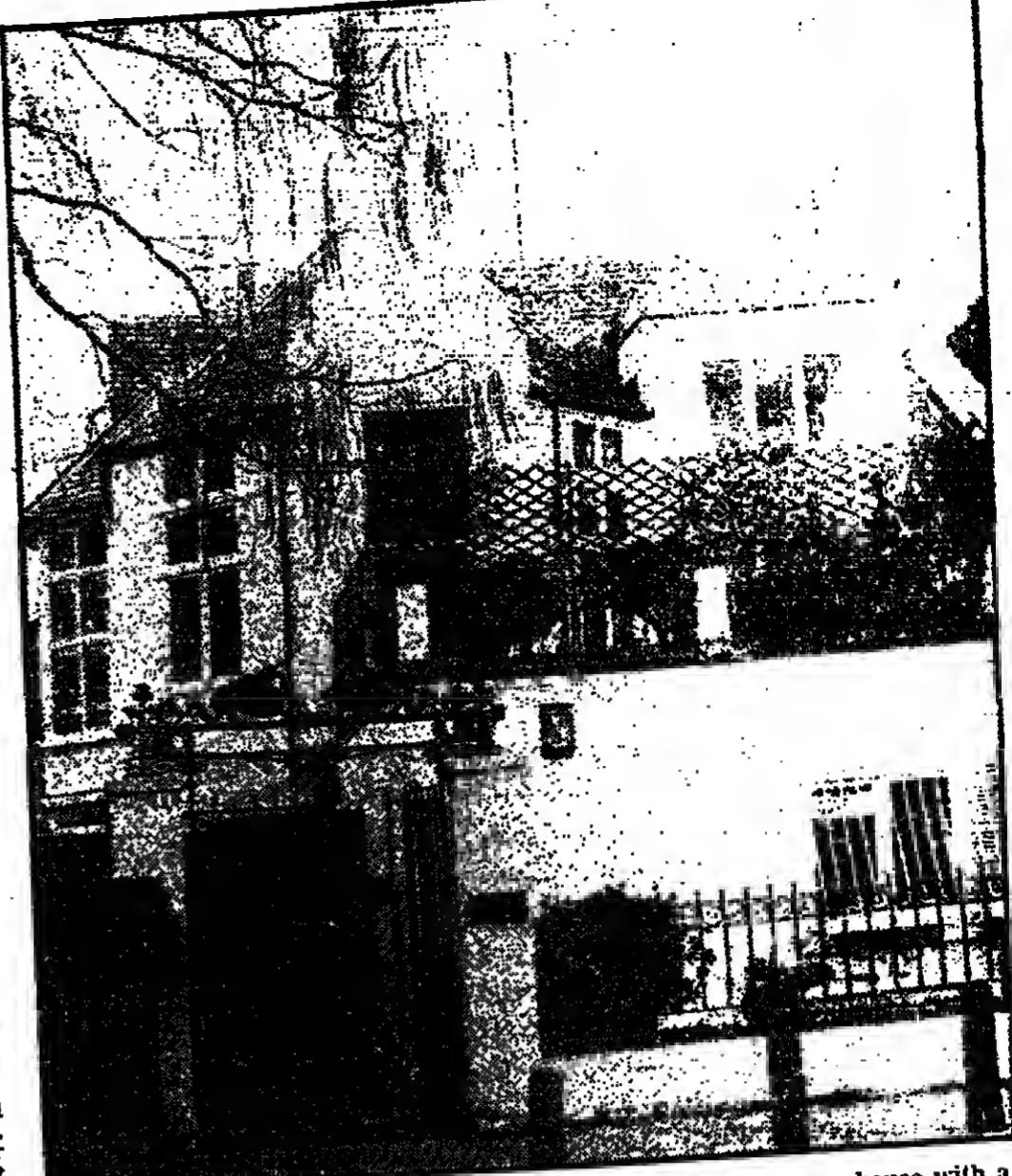
Other sales to Americans over the last few months include a family house in Mallord Street, SW1, and one in St James's Gardens, W1, both in the £250,000 bracket, freehold. A 34-year lease on a maisonette at 45 Eaton Place, SW1, fetched £510,000 before it went on the market.

A new company, People and Property Executive Relocation, is also aiming principally for the American market. Based at 18 Coulson Street, SW3 (01-225 1313), the chairman is Karl van Horn, who is also managing director of American Express Asset Management. He says he looked at some 80 flats before he found the right one to call home, in Lowndes Square. His search convinced him there was a place in the market for a specialist search service.

Because it will be paid by the client, not the agent, People and Property expect to have ready access to most of the best properties on the market. Multilists between estate agents in the UK is not always effective.

"Firms are reluctant to share their commission if they have a marketable property which they believe they can sell or let themselves within a reasonable time-span."

The company will search out a suitable property, advise on education (pin-pointing the International and American Schools), organise domestic help and membership of social clubs, and undertake documentation.



The Priory, Seymour Walk, Chelsea: a five-bedroom, five-bathroom house with a staff flat and swimming pool, for sale at about £1.5 million through Chesterfield & Co., 166 Walton Street, SW3. (01-581 5234)

And an American from Virginia, coming over next month to look

and want to retire in Britain, is at good country houses.

For further information, contact Chesterfield & Co., 166 Walton Street, SW3. (01-581 5234)

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or Chesterfield &

TRAVEL

Arthur Sandles on the simple life

Greece ponders a crowded prospect

THE GREEKS are nervous. It looks as if this year is going to break all records for tourist arrivals and yet there are many in the Greek tourist business who will be glad when it is all over.

"What worries me," grumbled the hotelier looking down at his salati horiatiki, "is that a lot of them are coming not because they want to see Greece, but because they don't want to go to Spain."

He's right. While Spanish hoteliers are staring at the prospects of half-empty properties this summer the Greek authorities are pondering the prospect of over-bookings.

Greece is at its best when you head for things simple. It is a place for changing gear and coasting, making a coffee, ouzo or glass of wine last hours rather than minutes as the world passes by. Having taken that view, I must confess to a lack of enthusiasm for Greece at its busiest. Athens is not my favourite city, the very mention of it conjures up to my mind not classic beauty and sense of agelessness, but simply noise and irritation. It is a city to visit in the spring, while it is still cool and before the real hordes arrive.

You can still find quiet corners on Corfu and Rhodes, but the real pleasures of Greece are to be found in the depths of the mainland and the Peloponnese, the north, and in the islands.

The islands vary, of course, enormously, from the billy Ionians to the pretty Cyclades from the broad beaches of Samos to the soaring rock faces of Santorini, from the affected sophistication of Mykonos to the simple isolation of Sikinos.

The one basic rule is that the more difficult it is to get to an island the less likely you are to find the mainstream package holidaymaker. In a year when the world and his wife look like going to Greece in the peak summer season at least, avoiding the tour crowds may be important if you are seeking the sort of holiday peace upon which Greece's reputation was built.

Package tour companies do not want the trouble and expense involved in complex transfers of large numbers of customers. However, finding islands that do not have airports

is becoming increasingly difficult these days. Today's jets are less demanding in their runway requirements and the Greek military has shown itself more willing in recent years to allow civil aircraft to land on its strips.

Thus, this summer you will find direct scheduled flights to Corfu, Crete, and Rhodes, and charters to those three plus Kos, Mykonos, Santorini, Sikinos, Skopelos, and Zakinthos. There are domestic airline flights alone to Limnos, Lesvos, Chios, Samos, Leros, Karpathos, Paros, Milos, Rethira, and Skiros.

There are two other clues to crowds: proximity to Athens, which basically means the Saronics and the nearest Cyclades, and the frequency of ferries. The most heavily ferried routes are those to Skopelos, Skopelos, Corfu, Kos, Rhodes, Ios, Santorini, Syros, Tinos, Mykonos, Aegina, Poros, Hydra, Spetses and Thassos.

But before we are accused of being too elitist, think for a moment what a measure of popularity brings to an island. It tends to increase the number of, and raise the standards in, restaurants. It brings in a touch of night life and adds a little sophistication to the shopping.

I have known English visitors very out for isolation in one breath and then the absence of Marmite and Weetabix in the next.

A couple of islands which have avoided the worst of the consequences of tourism, and yet have somewhat more to offer the visitor than just a quiet harbour and a few sleepy tavernas, are Karpathos in the Dodecanese and Skopelos which is at the other end of the Aegean in Sporades.

The fact that Karpathos has managed to retain its atmosphere is perhaps surprising given its location on the main route between the large islands of Rhodes and Crete. Visitors who want to switch off for a while after, or before, taking in these centres will find Karpathos is ideal.

The main town, Pigadia, where most of the accommodation is to be had, is something of a let-down, consisting mainly of buildings in a style probably best described as "Modern Mediterranean Mediocrity, but

the natural features of the island are a delight.

It has a coastline dotted with small bays and sandy beaches, many of which you can reach only by boat or on foot. Behind these bays are tall mountains through which slice deep valleys where small villages, old churches, odd patches of cultivated land and ruined ancient buildings lie hidden in a world which is a striking combination of bright light and deep shadow.

It is worth making the journey to one of the more remote villages of all, Olympos, where the women tend to wear beautifully embroidered clothing and where the focus is the centre of life. Olympos itself is spectacularly placed with the mountains behind it and the sea in front.

Skopelos is bigger than its neighbour Skiatos and, with some 6,000 inhabitants, more heavily populated but it has not hit the tourist trap with quite the same impact. Skiatos is nearer the mainland and its thickly wooded hills and plentiful supply of beaches have proved a superior attraction to the more rugged features of Skopelos.

This ruggedness is seen at its extreme in the north where wild winds and high cliffs provide a bracing and majestic vista. The main town is set in more comfortable surroundings, so comfortable in fact that in Mycenaean days it was a pirate port, and is a maze of narrow winding streets, each one, it may seem, containing a church.

If you are venturing to the Greek islands for the first time then I would urge an early summer visit rather than a late one. High summer is not only crowded but can be extremely

hot. In late summer high winds can be a problem on many islands.

I would also suggest taking the preceding notes with a pinch of salt. Rhodes, Crete, Mykonos and Santorini have become popular for very good reasons and should not be passed over just because they have become crowded or fashionable — but above all avoid them in the peak season.

Further information: The Greek National Tourist Office in London is at 195 Regent Street, W1R 5DL. There are two pocket Berlin guides which make good briefing editions. The Rough Guide to Greece by Mark Ellingham (Routledge and Kegan Paul, £3.95), is an excellent source of information. The Webb and Bower Dumont Guide to the Greek Islands (Webb and Bower, £9.95) is very strong on archaeology and history but no help at all if you want to know about windsurfing.

Tour operators handling the smaller islands include: Aegina Club, Freedom, Grecian, Greek Sun, Manos, Olympic, Sunstar, Sunmed, Sunvill, Sunvours, Thomson, Timsway and Twelve Islands.

There is a wide availability of cheap charter flights to Greece and the islands. Your travel agent will be able to supply a range of brochures from flight only operators so there is no need to go to a bucket shop. Demand for such flights is likely to be heavy this year so book well ahead.

Skopelos harbour has all the attractions of lotus eating fantasies and not quite so many of the souvenir shop problems of some of its rivals. The island relies heavily upon the sea for its prosperity, many of its inhabitants spend part at least of their lives as sailors, but an indication of the fertility of the island's substantial hilly terrain can be gained from the fact that its fruits, notably pears, plums and almonds, are much prised on the mainland.

In neither Skopelos nor Karpathos will you find much in the way of Spanish-style hotels. At best you will be able to rent a small flat, or find accommodation in a tiny taverna where the family will fuss around you in a way you will rarely find in the Costa these days.

On these two islands at least you might find some peace and quiet, even at the height of the season (but you will still have trouble finding accommodation on spec). But there are dozens of others that are off the normal tourist trail. I have yet to set foot on what sounds the temptingly barren and overlooked island of Astypalaia: see the sanctuary of the great gods of Samothrace; or asil into the gracious harbour of Katapoli on Amorgos. These are pleasures yet to come.

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On these two islands at least you

BOOKS

Journeying through Never-never-land

BY RACHEL BILLINGTON

Secret Gardens

by Humphrey Carpenter. George Allen & Unwin. £12.95, 236 pages

Humphrey Carpenter gives us here a survey of the best of the children's literature in the years 1860 to 1930—"The Golden Age" as he calls it. This is a formidable body of work to organise into a medium-sized book. A comparison with adult literature of the same period (sadly, though perhaps wisely, not attempted by Mr Carpenter) would take us from the Brontës to Evelyn Waugh.

Mr Carpenter approaches his subject confidently with the editorship of *The Oxford Companion to Children's Literature* under his belt and earlier works on Tolkien and C. S. Lewis.

The theme expressed in the title, *Secret Gardens*, holds the book together. In a thoughtful introductory chapter, Carpenter traces the different strands in the development of children's writing. There were the moral tales stemming from Aesop and *Pilgrim's Progress* which were kept distinct from the stories for entertainment. There was the sentimental cult of writing christened by Mr Carpenter the "Beautiful Child" of which *Little Lord Fauntleroy* was the supreme example. This shows the first crack in Carpenter's paving-stones since it was written by the same Frances Hodgson Burnett who created, *The Secret Garden*. As direct precursor to "The Golden Age" came Lear with his *Nonsense Verse* and geographical inventiveness.

There were the realistic and sometimes Empire-building stories of G. A. Henty, Kipling and R. L. Stevenson, matched by the girls' stories such as those by Angela Brazil. Finally we

reach Carpenter's chosen world "introspective," "fantastic" and strikingly often about religion.

It dealt largely with utopias and posited the existence of Arcadian societies, remote from the nature and concerns of the everyday world; (Mr Carpenter writes) yet in doing this it was commanding, often satirically and critically, on real life.

The names that hit this jackpot are Charles Kingsley, Lewis Carroll, George MacDonald, Kenneth Grahame, Beatrix Potter, E. Nesbit, J. M. Barrie and A. A. Milne. Carpenter adds to this list for reasons apparently of contrast, Louisa May Alcott and also Frances Hodgson Burnett, although she is not allowed a chapter to herself. As it is always the case with an author who has firm views, the challenge to dissent is strong. Laying the grounds for his belief that all shared a strong sense of religious doubt, Carpenter points out that Kingsley, Carroll and MacDonald were all clergymen. It would seem a more logical deduction that religious conviction was a common denominator. That would of course separate them from their fellow "Golden Age" authors.

In the final chapter of the book, Carpenter takes some trouble to explain why the fantasy worlds created by writers for children after the 1930s do not qualify as utopias.

The difference, he argues, lies in the fact that the characters in Barrie or Carroll or MacDonald are children for all time, whereas readers of *The Hobbit*, the Narnia stories or *The Borrowers* are being schooled towards adulthood. There is no escape into a Garden of Eden of eternal youth.

Yet Barrie tackles this problem very clearly in *Peter Pan* when he introduces the passing of time with its tragic consequences in the play's closing scenes. The fearsome world of Beatrix Potter with her sinister "sandy whiskered gentleman" and camaballistic rat could hardly be anyone's idea of paradise.

These points are arguable and perhaps Mr Carpenter's book is best read for its juxtaposition of information about some extraordinary Victorian characters. It is fascinating, for example, that not only were Charles Dodgson, Kingsley and MacDonald clergymen but all three started working on their most famous works during the summer of 1862. Moreover they all had scientific or mathematical interests. Louisa May Alcott, Frances Hodgson Burnett and E. Nesbit are linked on the other hand, by Mr Carpenter finding in them no proper view of the world. Noticeably, they are not only all women, but also they are professional writers in the sense that they wrote to earn their livings.

Mr Carpenter has no use for books without a proper moral standpoint. Roald Dahl is given the thumbs down on the first page for this reason, although allowed to be supremely popular with children. Yet Mr Dahl creates the same kind of paradoxical and threatening world which Alice discovered; where a Queen commands indiscriminately off with her head and a Duchess throws pepper at a baby who turns into a pig.

Fairy Tales are also accused of providing no consistent moral values. Why should poor Little Red Riding Hood eat eaten by the wolf just because she lingered to pick flowers in the wood? What greater lesson need a young child learn? Beauty is so good that her Beast

is allowed to be supremely popular with children. Yet Mr Dahl creates the same kind of paradoxical and threatening world which Alice discovered; where a Queen commands indiscriminately off with her head and a Duchess throws pepper at a baby who turns into a pig.

Mr Carpenter is an enthusiast whose book is as filled with entertaining ideas and information as any fan of children's books could wish. To disagree with his conclusions may even be a backhanded compliment.

Nevertheless he cannot resist noting Kingsley's obsession with water, symbol of purification, or the sexual significance of Alice falling down a black hole. He is then struck by the reverse process in which Mole forces himself upwards through a black hole.

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Before he knew where he was Piglet was in the bath and Kanga was scrubbing him firmly with a large laundry flannel.

"Ow!" cried Piglet. "Let me out! I'm Piglet!"

"Don't open your mouth dear, or the soap goes in," said Kanga. "There! What did I tell you?"

By the end of the book and after Mr Carpenter has speedily dismissed Doctor Dolittle and Mary Poppins for "plodding predictability" one is left with the distinct feeling that

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HOW TO SPEND IT

by Lucia van der Post



OLD: From the second-hand barathea blazer (most blazers department—30-year-old, cream are about £50, this one is flannels (£35), worn with a navy-blue and white polka dot cravat is made from 22 oz cream and red striped wool silk and costs £16.

I say chaps! Keep it trad

I FIRST came across Hackett when my son started giving my husband and other male relatives some rather superior presents—fine antique pens, a good quality second-hand dress shirt (to a young cousin about to go up to university), a lovely silk tie—all this seemed to me to need investigation.

It's not the sort of place you come upon by accident. In a long, low white building at 655 New Kings Road, London SW6 it is hard to find but, as they say in Michelin, well worth the detour.

It was started nearly two years ago by Jeremy Hackett who was tired of looking for things he wanted and couldn't find. If I had to sum up the "look" it purveys I can't think of a better phrase than a mixture of city gent and country squire, the kind of traditional English look that's almost impossible to find in England any more unless you buy custom-made. So what Hackett set out to do was provide a made-to-measure look in ready-to-wear and at ready-to-wear prices.

The shop has two sides to it—the second-hand side was where it all began, with a varying selection of what might be called gentleman's appurtenances and accessories, wherever possible hand-made, with the emphasis on quality and tradition.

There is usually a good

selection of everything from luggage (some wonderful sports and weekend bags) to pens, lighters and watches. On the clothing front there are silk ties and cravats, suits, jackets, dressing-gowns, evening wear, shirts.

The formal evening wear is particularly sought-after—for the price of two birlings you could buy a complete outfit from Hackett. A dinner jacket costs £35, cotton pique

dress shirt, £14. Word has got out about the shirts, too—Hackett sells many seconds from the factories that make for Jermyn Street. They are roughly half the Jermyn Street price but have only small, almost indetectable creases or flaws.

Soon, however, Hackett began to develop its own range of clothes that it felt nobody else was making—things like quality cords

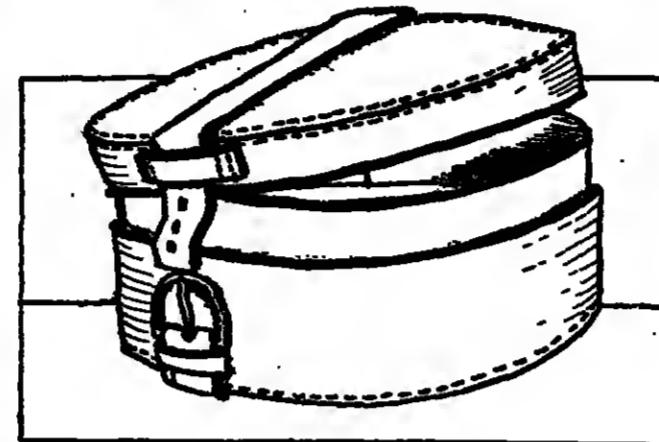
with proper cotton pockets and linings (even at the quality end of the market nylon is usually used). Hackett's cords are slightly higher-waisted for greater comfort and the legs are extra long so customers, no matter how tall, can have turn-ups.

Well-cut jackets, they feel, were almost impossible to find—even the most up-market, most British-seeming stores, they say, cut the jackets too slimly, and make them too fitted. Custom-made jackets have four buttons that really work—so do Hackett's jackets.

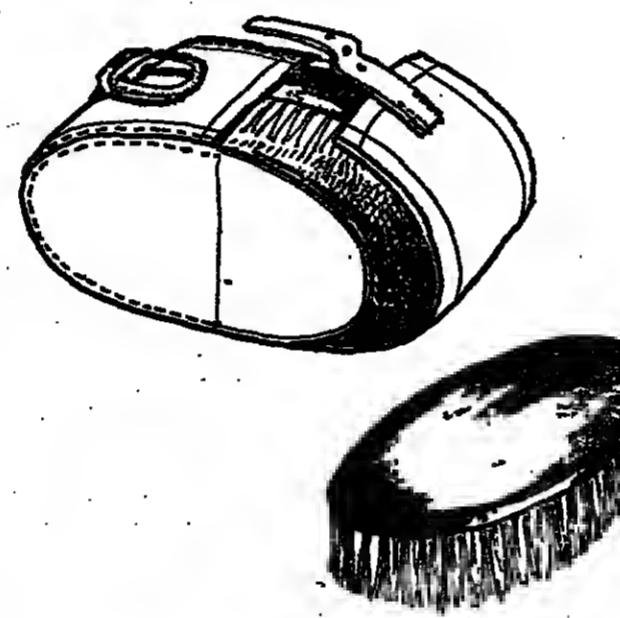
The shop does its own range of mole-skin trousers (a traditional heavyweight, hard-wearing, country fabric) which it has dyed navy-blue, straw and white and used to make a military-cut trouser.

Sweaters are hand-framed cable Shetland or classic lambswool. There is a basic range of new shoes—brogues (leather and suede) and a buckskin chukka boot.

If you have any American visitors over this summer, in search of the quintessential English look, this is the place to send them. When I was last in there a clutch of voracious shoppers from American Vogue was buying up much of the shop and since then a team from the New York Times has been in on it to give it the big colour supplement treatment. I should hurry while stocks last.



From the second-hand side—a 20-year-old leather collar box, so beautiful that even those who don't wear collars could find a use for it. New versions cost about £30, this one is £18 (p+p £1.50).



Second-hand hairbrush box, about 30 years old and filled with brushes with real bristle and ebony backs. This is the kind of box that would have been used for travelling. £24 (p+p £1.50).

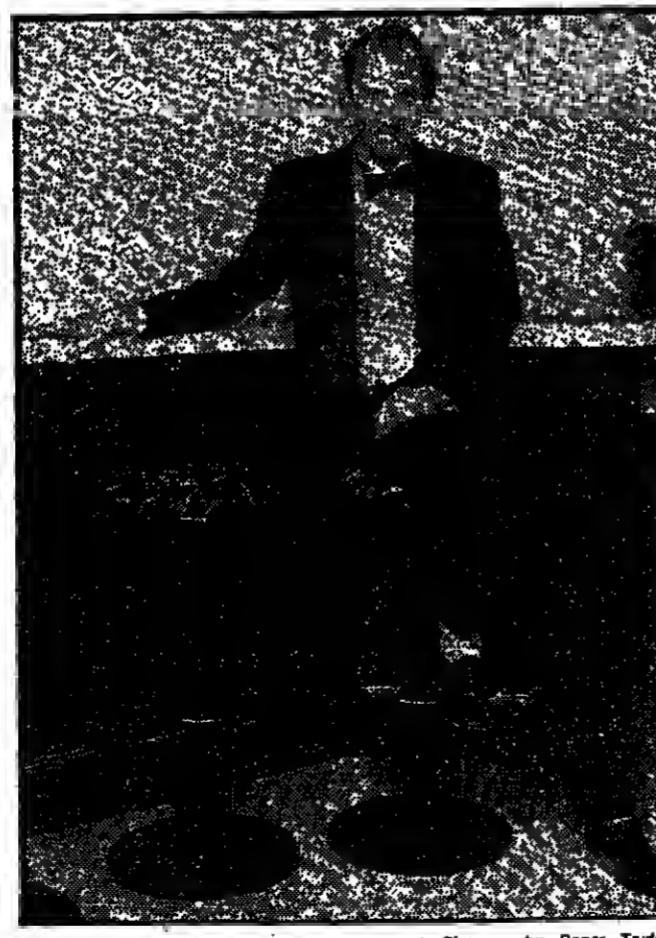
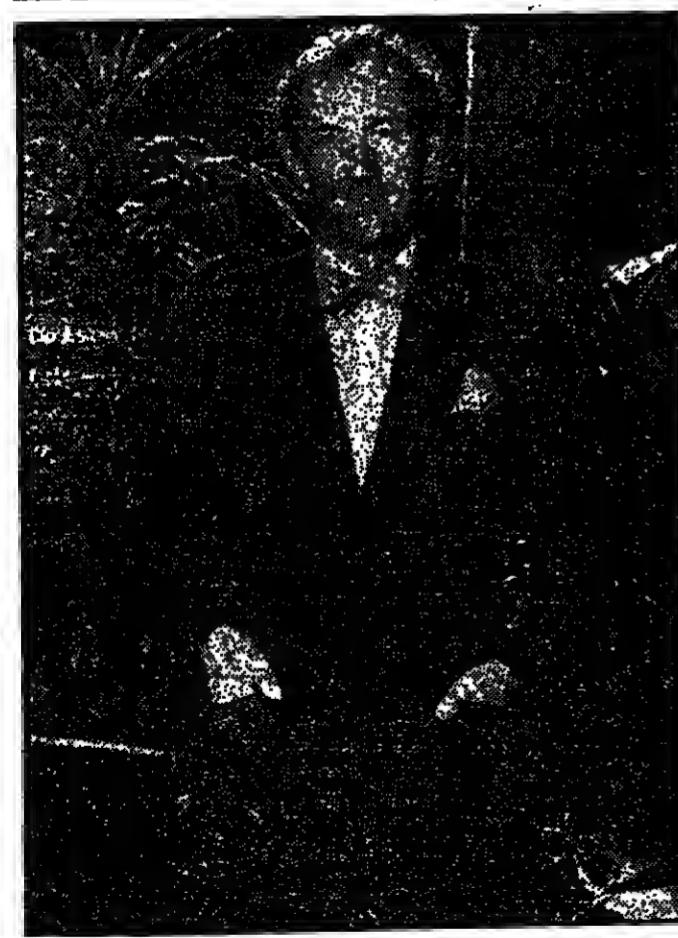


A gentleman's sports bag made from pigskin and canvas. About 10 years old it has a zip-up washbag attached to the inside and is just one of a selection of grips, holdalls and weekend bags on sale. £15.



NEW: There is a large selection of suits in a variety of cloths, sizes and subdued colours but Hackett is especially pleased with its lightweight suits in dark colours, as they feel it is normally almost impossible to find a summer suit that looks good in the city. Double-breasted in wool worsted pick and pick cloth it comes ready-to-wear but alterations are done. £225. Heavy silk tie £12.

Drawings by Julia Findley



One man and his wardrobe

ANYBODY who knows Robin Wight, chairman of Wight Colling Rutherford Scott, one of the more high-profile young advertising agencies, knows about his bow ties. He has, around 180 of them and never wears any other sort of tie. "If you are as long and thin as I am," he says, "an ordinary tie makes you look much more of a bean-pole. I think a bow tie is a judicious mixture of modesty and exhibitionism and you get less gravy on it."

"I buy only Dunford Wood bow ties and I get them all from Blades of Savile Row. They are all made from hand-printed silk and come in lovely colours. I only wear ties I do myself. A lovely man at Turnbull and Asser took the trouble to show me how to do it."

"My shirts come from Turnbull and Asser—but you have to be prepared not to mind the three months' wait. Not only do they have a lovely

selection of fabrics they actually fit. If you're tall, as I am, the terrible thing is that shirts are always coming away and revealing bits of flesh. I've been caught so many times buying pretty shirts that don't have long enough tails so now I stick to Turnbull and Asser. They may seem expensive but it's actually quite practical—for instance, they'll put a new collar and cuff on an old shirt when they've worn through."

"When it comes to suits, in my job I don't want a straightforward business suit. I like them well cut and well made but with a touch of imagination about them. I often go to Harvey Nichols' mens' department. I don't know who does the buying but he has marvellous taste."

"I buy suits from Cerruti and Armani—always double-breasted, because if they're single-breasted I look like a schoolboy. The danger with off-the-peg suits is that they can be meanly cut and don't

fit properly but Cerruti and Armani seem to fit me extremely well."

"The one I'm wearing today (see photograph above left) comes from Blades of Savile Row. Laurence Wilcox designed it and he knows how to get it just right. It looks like a straightforward suit but when you look more closely at the cloth you become aware of almost a trompe l'oeil effect—the charcoal wool cloth has a satiny stripe with fine stitching still left in it. It is beautifully cut and made but it has some imagination in the fabric."

"My shoes I get from Fratelli Rossetti at 177 New Bond Street—so many brogues look like clodhoppers these days but I like Rossetti's lightweight versions."

"Then I've got a lovely Armani raincoat that came from Harvey Nichols. Most classic raincoats are dull and uniform but this one is cut much more generously than, say, a classic Burberry, and

Find your style

ONCE UPON a time decisions about how a man dressed were strictly between him and his tailor. But neither men nor tailors are quite what they were. The bespoke suit is a dying species and plenty of men who have never set foot inside a Savile Row establishment mind considerably how they dress.

So where does the man who needs help go for advice? Some, like Robin Wight, having found their personal style, go back again and again to the same shops, where assistants get to know them and their tastes. But for those who have yet to find their personal style, perhaps an objective eye on their wardrobe is what's needed.

Last week I mentioned two young women who specialise in helping other women get their wardrobes together—one of them, Ceril Campbell, who dresses men and women professionally for television and films, is also prepared to sort out men's wardrobes.

Most Englishmen, she thinks, are not very good at putting things together. For instance, if they can't afford expensive suits, much can be done by wearing good accessories—belts and shoes that match, the right tie. Very often these don't need to be expensive—particularly nowadays when so many of the new chains, like Next, are offering men what has long been available for women, co-ordinating colours and complete outfit.

As for most men's weekend wear—here she finds they so often get it wrong. He might wear a blazer with jeans with a firm crease down the front and the same stripey workshirt left-over from the week and his city shoes. A Frenchman would put the blazer with some relaxed jeans, like Levi's, would wear a Lacoste sports shirt, some marvellous coloured socks and carefully chosen casual shoes and look a whole lot better.

She believes accessories are as important for a man as for a woman and will advise on how to choose a wardrobe to enable you to travel lightly but well, how to make your clothes work harder for you and how to smarten up the clothes you already have.

If you are interested in the service contact Ceril Campbell by telephoning 01-731 5889.

Trail blazers



AS MEN have become increasingly interested in their clothes, so the department stores with the wit to sense a trend, have livened up their menswear departments. House of Fraser stores first developed a range of leisure wear which took off so well that it had the bright, if somewhat predictable, idea of getting Hardy Amies to design a collection of menswear specially for its stores.

Hardy Amies, as almost everybody knows, is what might be called the doyen of the menswear business. Effortlessly confident, not to say domineering, about what the British man should wear, he has decreed that the current looks should reflect "a return to the classic British style."

Of his first collection for House of Fraser he said "This is a BIG [sic] collection. It is designed to make men look BIG once more and it will be good for BIG business." He is the classic exponent of the theory that a suit, to do its job properly, should establish status and those who think likewise should hurry along to House of Fraser stores and seek out his status-establishing suits.

For versatility, the Hardy Amies solution is photographed left. A pure wool navy blazer, £55, is worn with pure wool trousers (choose from navy, fawn, silver, grey, fawn or navy check), £35 with a white blue or cream cotton shirt (£14.99) and a woven crepe tie, £14.99.

How many Japanese do you know with back-ache?

For centuries the Japanese have been sleeping on futons, which provide natural back support.

Futons are slim mattresses, filled with layers of pure, fleecy cotton. Not only are they wonderfully comfortable, they give the firm, even support needed for perfect rest. Futons can be used on any base or on the floor. And during the day they can be rolled up to make more space.

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THE ARTS

Spain's champion of song

BY RICHARD FAIRMAN

Few classes of music can deserve a champion so fully as Spanish song. For a long time now Victoria de los Angeles has included the songs of her native country in her recitals, but at the Wigmore Hall on Thursday she devoted the whole evening to them. Perhaps, like Schwarzkopf with the songs of Wolf before her, she intends to promote their cause as she plays out the twilight period of her career.

This can be a fruitful, if difficult, time for a recitalist. As much as 10 years ago, I can recall de los Angeles sounding strained and anxious in German and French programmes, but this special repertoire is more securely her own. Her main problem, apart from threadbare at the top, comes with sustained notes which refuse to keep going or stay in tune. As long as the voice is one the move, all is well.

At its best, the sound is recognizable to de los Angeles or old: it has that brightness and knife-sharp edge, now silencing the air with undue violence, which is reminiscent of Bori or Conchita Badia, an older Spanish generation. And what an expressive instrument it still is, able to turn the eloquent vocal lines of Turina's "Ssata" and Joaquin Nin's "Asturiana" into singing of real spontaneity. The vocal difficulties rarely compromise her creativity.

In choosing songs like these, she is continually introducing to us a new repertoire. Of the little-known composers here none was more affecting than Eduardo Toldo, whose songs worked the simplest of ideas with lovely invention; and none more fascinating than the two Halfferts, Ernesto and his nephew, Cristobel, with their spare and haunting songs to Portuguese texts. In the former's "Al que linda mogona" (despite a pair of boar's Gifflats) de los Angeles found a quite unforgettable sadness.

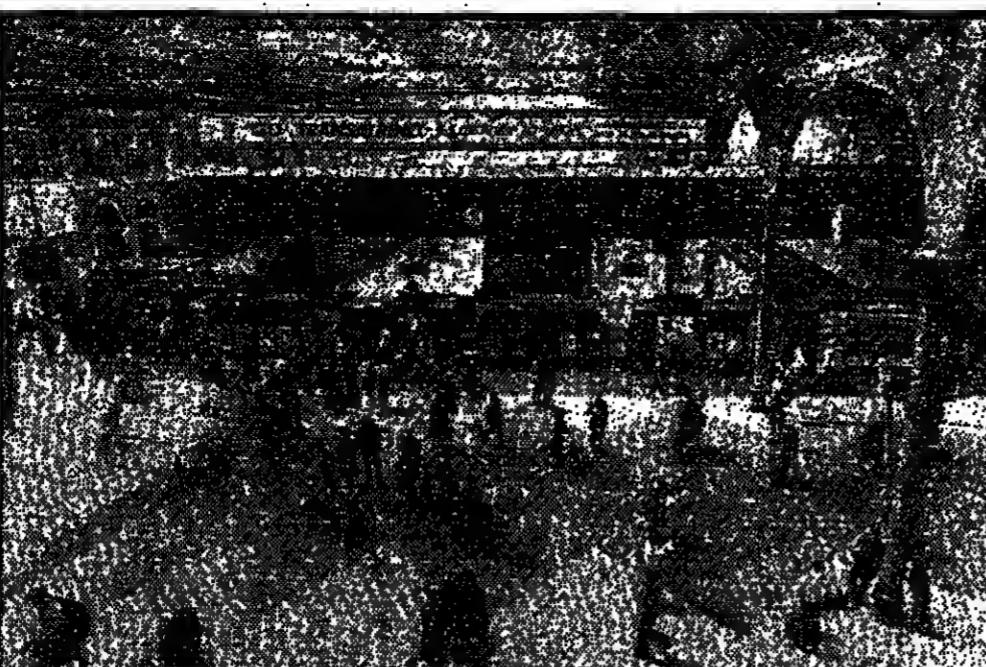
The more familiar songs provided less enjoyment. There are so many recordings of the soprano in these that it is impossible to avoid comparisons with her earlier performances. Rodrigo's "De los alamos vengo, Madre" retained its playful spirit; but Falla's "Polo" from the Seven popular Spanish songs inevitably lacked the fire of her former self, let alone the blaze of Conchita Supervia. Yet, at 62, she is still a beautiful and captivating artist. Much feeling and just enough voice keep the magic alive.

36th International School at Dartington

The 38th annual Dartington International Summer School will be held from July 27 for one month. In addition to the usual workshops, lectures and master classes, the composer Harrison Birtwistle will be in residence throughout.

The highlight of the School will be a "Tippett week" during which Sir Michael will take part in discussions and attend concerts of his work, culminating in a performance of his oratorio, *HTRA TAA*, of his oratorio, *The Vision of Saint Augustine*.

Solution to puzzle No. 5,697



The new-look mosaics at Victoria Station designed by Tess Jaray

BR wants to be beautiful

SPRINGTIME has come to Victoria Station, and two national Aunt Sallies deserve a bouquet. In the south-east concourse, a remarkable terrazzo mosaic has emerged from a veil of grouting and grime. It is the fruit of British Rail's wish to improve our stations, and the imaginative vision of their Southern Region architects.

We have all heard that British architects are allergic to "mere" decoration, yet here is BR, urged by its architects, commissioning an artist to create a purely decorative work for £50,000. It is still able to turn the eloquent vocal lines of Turina's "Ssata" and Joaquin Nin's "Asturiana" into singing of real spontaneity. The vocal difficulties rarely compromise her creativity.

In choosing songs like these, she is continually introducing to us a new repertoire. Of the little-known composers here none was more affecting than Eduardo Toldo, whose songs worked the simplest of ideas with lovely invention; and none more fascinating than the two Halfferts, Ernesto and his nephew, Cristobel, with their spare and haunting songs to Portuguese texts. In the former's "Al que linda mogona" (despite a pair of boar's Gifflats) de los Angeles found a quite unforgettable sadness.

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Patricia Morison looks at how British transport monoliths are trying to make travelling easier on the eye.

twine about them. If the vision comes to pass, white suits will be more in keeping than plaid stripes; and as we traverse Jaray's lovely designs our feet will adopt the gentle saunter of the passeo in some Andalucian town.

The question-marks over the completion of the scheme is, of course, financial. BR is in no position to dig into its own pocket merely to gild the lily. But before you snarl that it has no business diverting a single penny from making the trains run on time, the admirable way in which the funds have been found should make you pause.

Of the estimated £50,000 for the Jaray mosaic, £20,000 was given by James Sherwood of the Orient Express and British Ferries, to sweeten the send-off for his passengers, and 25,000 came from the Public Arts Development Fund. The other half came from BR's own fund for environmental improvements, whether they be white-washing tunnels or planting trees on cuttings.

The message is that beautifying stations is indirectly profitable. The Southern Rail architects hope to lure executives from the choking teedium of the traffic jam to the contemplation of the aesthetic charms of rail travel. There is another benefit. Dutch railways discovered that the bigger a sheet of glass, the less are vandals tempted to smash it. Clean, light, cheerful stations should inspire a corresponding graciousness in the public.

These are early days in the transformation of Southern Region, so we must all wait patiently for the BR architects to arrive at our particular scruffy station on this mission civilise. I am told that the Surbiton ticket-office, for instance, now rejoices in an Art-Nouveau flavour scheme; Albany Park has a mural by a local comprehensive school; and at Vauxhall two years ago a Stygian subway was enlivened by a bold 46-foot fresco by Bill Pyle.

Art in public places rarely elicits unanimous admiration and the lugubrious ticket-collector at Vauxhall told me that he did not like Bill Pyle's fresco. However, he did admit that "it's much brighter than what was there before." Doubtless the same was said when they put up the reliefs at Persepolis.

The cast will be headed by Bill Maynard.

'Strippers' in the West End

Peter Terson's play *Strippers* will open at the Phoenix Theatre on May 29 following its regional tour. The production was first staged at the Playhouse, Leicester Square. It will be Terson's first play in the West End since *Ziggy Zagger*.

The cast will be headed by Bill Maynard.

ACROSS

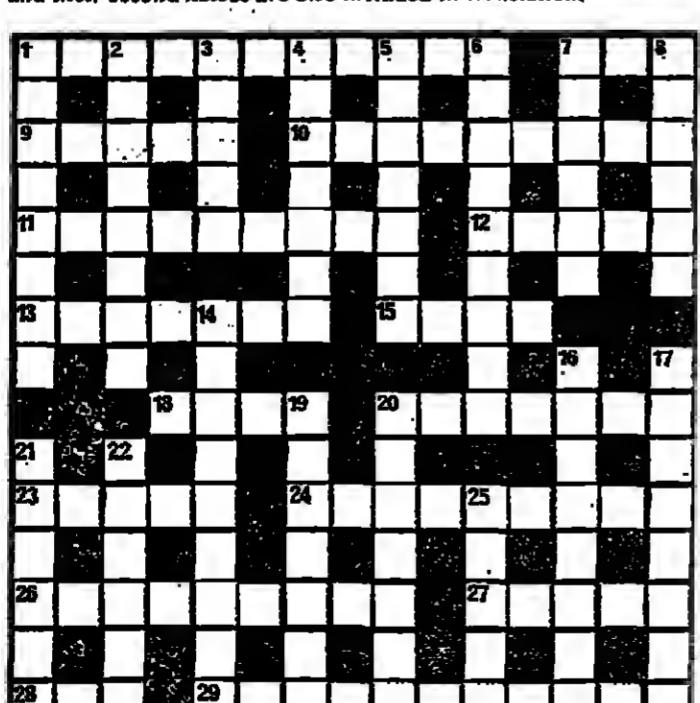
1 August artist is inclined to take a bow (11)
7 Perpetrator of battery (3)
9 River entering Spanish port (5)
10 Tropical island with grain (9)
11 A jot: it can change into tossing in bed (9)
12 Model is successful (5)
13 Love-sick, going back into food, for gold (7)
15 Apple caught with blade (4)
18 Seek for compliments (4)
20 Scottish or Italian pope (7)
23 Land for the artist? (5)
24 Lots of titles with two bars? (9)
26 Arresting artist (9)
27 Unusual type of villain (5)
28 The French or Italian pope (3)
29 Tea, rare brew perhaps, from tap? (5-6)

DOWN

1 Keep people employed, apart from the worst kind of comfort (4, 4)
2 Note on chunks of vermicelli as a factor in reproduction (4-4)
3 Name of girl or bat? (5)
4 Union leader indeed has lots (7)
5 Terrified by awful pain, not quite nice (2, 5)
6 "Amo's" Latin for French port (5, 4)
7 Bird that is no veteran (6)
8 Nimmo's trouble is belief that all one's (6)
14 Dish made with flower may-be wheat (5, 4)
16 Dog for public relations kept by musician (8)
17 Amour distorted (see within) by a flower that can catch the cat's bell? (5-3)
19 Henry I's qualification as a big swimmer? (7)
20 Rubs are the wrong way for swordsmen (7)
21 Drawer of money cut short by one pound (6)
22 Non-Spanish-speaker makes smile depart (6)
23 Say yes to engineer in time (6)

F.T. CROSSWORD PUZZLE No. 5,698

Most across solutions form a set, in one language or another, and their clues are mostly incomplete. 13 and 24 are telescoped, and their second halves are also included in translation.



A prize of £10 will be given to each of the senders of the first five correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solutions will be given next Saturday.

Name _____

Address _____

CHESS SOLUTIONS

Solution to Position No. 564 Solution to Problems No. 564
1... N-K3 ch; 2 K-B6, R-B1
1 P-QR3, P-K4; 2 N-QB3,
ch; 3 K-Q7. N-B3 ch; 4 K-Q7,
BxP; 3 N-Ks, B-B1; 4 R-R5,
K-K2; 5 RxP mate.

Solution to Position No. 564 Solution to Problems No. 564
1... N-K3 ch; 2 K-B6, R-B1
1 P-QR3, P-K4; 2 N-QB3,
ch; 3 K-Q7. N-B3 ch; 4 K-Q7,
BxP; 3 N-Ks, B-B1; 4 R-R5,
K-K2; 5 RxP mate.

A victim of life's brutality

BY MARTIN HOYLE

Blue is the colour of distance, says Don Quixote in *Camino Real*. Red and black are the colours of the circus, says Fran Thompson's set at Watford's Palace Theatre, of savage nature; and of the London mink where Jack the Ripper smears his bright mark.

Lulu's back not quite in town, though the enterprising Palace is drawing increasingly on the metropolitan public for its audience. The last time I saw her, at the Royal Court 14 years ago, she was an Edwardian miss, Wilde's Cecily grown up too quickly; Julie Foster made her the archetypal plucky victim. Now, Lucy Gutteridge gives her a harder line in self-assertiveness, though viewed differently by each of her "admirers and vultures" and in total cross purposes with the world; she ends up, as brightly uncomprehending and straightforward as ever, a casualty of the almost off-hand brutality of life.

No denying that Benjamin Franklin's *Earth Spirit and Pandora's Box* make a long evening. The horrors that befall Lulu and the freaks that surround her can ultimately totter on the verge of parody. Here Leon Rubin's production pre-empts this by bringing out a streak of zanily inconsequential humour, spelt principally by David Rappaport's minuscule Schizogolch and the Rodriguez of Jeffrey Guyton, an American with the physique of a bodybuilder, the hair and moustache of a clown, and a campy delivery with plenty of thrust (not to mention a penchant for aerobatic back-somersaults). He fits perfectly into this nightworld of cannibalistic obsessives, figures from Grossz cartoon.

Miss Gutteridge has the Louise Brooks hairstyle and assumption as well as "sweet innocence, that peerless jewel" (apart from the Ringmaster's rhetoric, Peter Tegel's translation has an elliptical quality and betrays the occasional American ring). She is properly unsympathetic in her instincts, with an honesty that justifies her treatment of the long-suffering Geschwitz (incisively played by Heather Canning). She suffers at the hands of John Woodvine, authoritative as Schöna, outrageous in the distorted Latin scheme.

Some of us positively enjoy distilling out to the razzamatazz of Eduardo Paolozzi's tiles at Tottenham Court Road and, more recently, Nicholas Munro has given Oxford Circus an uplift.

Yet praise is due to LRT for a few stations where the planners have gone for something bolder.

The results are notably more successful when artists are called in. David Geotman's medievalising at Charing Cross have won that station many friends, which compensates for the loss of advertising space entailed by his scheme.

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LEISURE

Gerald Cadogan on the battle over Navan

Why a green hill unites Ulster

FEW MATTERS in Northern Ireland unite public opinion, but the present threat to Navan — famed in Irish epic, the traditional capital of Ulster and the single most important historical, legendary and archaeological monument in the province — is doing just that. A proposal to enlarge a limestone quarry bordering the ancient site and in the middle of the sacred precinct has met wide opposition and will be the subject of a public inquiry in June.

Navan is near Armagh, on the top of a hill with splendid views which include the plinnares of the two cathedrals of Armagh some miles to the east. Its ancient name was Emain Macha, which even the early geographer Ptolemy may have been vaguely aware of in the 2nd century.

Two early Irish tales link the place with Macha, the war-goddess who gave her name to both Emain and Armagh (Ard Macha, or the Hill of Macha). In the Ulster Cycle of tales of the 7th and 12th centuries, an inspiration for plays by Yeats and Synge, Emain Macha is the legendary capital of the Ulster warriors, who were always at odds with their great enemies, the warriors of Connacht. Its role is as important as that of Camelot in the Arthurian legends.

Emain Macha can also be associated with the end of paganism and the arrival of Christianity in Ireland. The man seen as the first Irish Martyr was its greatest king, Conchobhar (Conor). In the wars and shifts of peoples in Ulster the place was a natural focus, and was destroyed as the Ulstermen were pushed into the extreme east of the province. Till then, its importance as the

political centre of Ulster and perhaps even the most powerful overkingdom of Ireland — may be reflected in the fact that St Patrick came to the region of Armagh. Armagh became the Christian capital of Ireland on the back of the pagan glory and power of Emain Macha.

The most bizarre find of all Irish prehistory was in one of the houses — the skull of a Barbary ape which has to have come from Spain or North Africa. We do know of other exotic animals in archaeology and of gifts of them in historical records, but this must be the most surprising.

Late in the Iron Age, about 100 BC, an enormous building

40 metres across was put up, with five circles of posts and a great central post of oak as a totem pole, coming from a tree over 200 years old when it was cut. Later, the great building was covered with pebbles and its superstructure set on fire and the mound there today erected. One can find, this way of marking the spot over 2,000 years earlier at Lerna in Greece, where the burnt ruins of the ruling house were covered with a tumulus with a ring of stones round its edge.

When in use, the great building at Navan was unusually clean, with little debris on the floor. Since regular houses are dirtier, one must interpret the building as a religious centre.

Navan Fort is the principal monument, and the limestone

quarry adjoins it. In fact it is

not so much a fort as a great

enclosure, with a bank and

ditch enclosing an area of

about 18 acres. The bank is

outside the ditch, which is what

suggests it is not a proper fort.

Inside Navan the main

feature is a large mound, six

metres high and 45 metres in

diameter, which was excavated

in 1963-71 and then recon-

structed. There is evidence of

settlement back to Neolithic

times, but the principal time

that people were living there

was in the Late Bronze Age

from about 700 BC to Early

Iron Age. Navan shows the

slow transition very well, as

bronze tools and weapons

gradually gave way to those of

iron. The building types

stayed the same. A round house

and a stockade were rebuilt

time after time on the same

spot below the (later) mound.

It was a settled community.

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FINANCIAL TIMES

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Saturday April 20 1985

Questioning the recovery

WHEN INFLATION rises quiescently but bonds hold steady and equities are weak, the markets are telling us something important. That pattern emerged both in Throgmorton Street and in Wall Street this week. In America, the pattern needs little explanation: the economy is slowing sharply. Profits are squeezed, and the market is responding to the end of the Reagan boom. So much for the President's promise, only a few weeks ago, to unleash the bulls.

In London, though, the surface evidence suggests something better. Growing output and employment, optimistic industrial surveys, and interest rates which are visibly falling, even if only through a kind of slow-motion leapfrog, might all be taken to argue for an improving outlook. That is a very short view, though; look back more than a couple of months and we see interest rates sharply up, competitiveness squeezed, and exports prospects clouded.

The markets are showing a good deal more sophistication than they once did in reacting to economic news. They know, for example, that the inflation series is the economic equivalent of a driving mirror—it shows you where you have just come from.

The disappointingly high figure for inflation this month and the higher figure expected next month, do however carry one message for the future. They mean that the rise in real incomes has slowed sharply, for not only have costs accelerated, but nominal earnings are rising just a little slower. Prospectively, the home market looks flat. Inflation will no doubt come down again in due course as the Chancellor predicts; but it begins to look as if growth will come down with it.

Look overseas, and this picture is repeated, sometimes in more strikingly sombre colours. Some Asian economies have been suffering a sharp setback for the last six months, due to falling sales in the U.S. In Germany car sales are down nearly a fifth, and stocks are enormous. Troubles like these spread.

Plain language

These developments largely explain the sudden renewal of argument about the economic fundamentals which can be heard all over the world. In the circus of international meetings now building up towards the summit next month, all sorts of recently unmentionable ideas are being aired—international monetary reform, surveillance of everyone's domestic policies by the IMF and punitive measures against what is seen as Japanese protectionism.

These, however, are rather

gadgety ideas, and discussing them helps to avoid mention of the two possibilities which are still discussed rather in code than in plain language. The pressing threat is that the U.S. Congress, seeing jobs, sales and domestic growth leading abroad through the huge current account deficit, will turn from anti-Japanese talk to general protectionist action. And that brings in the other unmentionable: it may be that the only effective answer to this trade threat will be for America's trading partners to abandon the fiscal austerity they have imposed, forcing high street shopkeepers to specialise if they want to survive.

Industry analysts agree that the big chains, like MFI, Harris, Queensway, Habitat and the department stores, will increasingly command the volume and of the trade, forcing high street shopkeepers to specialise if they want to survive.

These developments have put

great pressure on the country's 1,400 furniture manufacturers, most of which are small family firms. A few producers are putting a major effort into meeting the strict quality, volume and delivery demands of big chains. Others are taking new initiatives to raise the image of their up-market products, both at home and overseas.

So far, not enough has been done to halt the rising share of imports in the £1.4bn UK market, now running at 22 per cent. But for the first time in about five years, industry leaders are guardedly optimistic that the tide may be turning.

"The British furniture industry has become very innovative," says Mr Gerry Woolven, national secretary of

Industry leaders think the tide may be turning

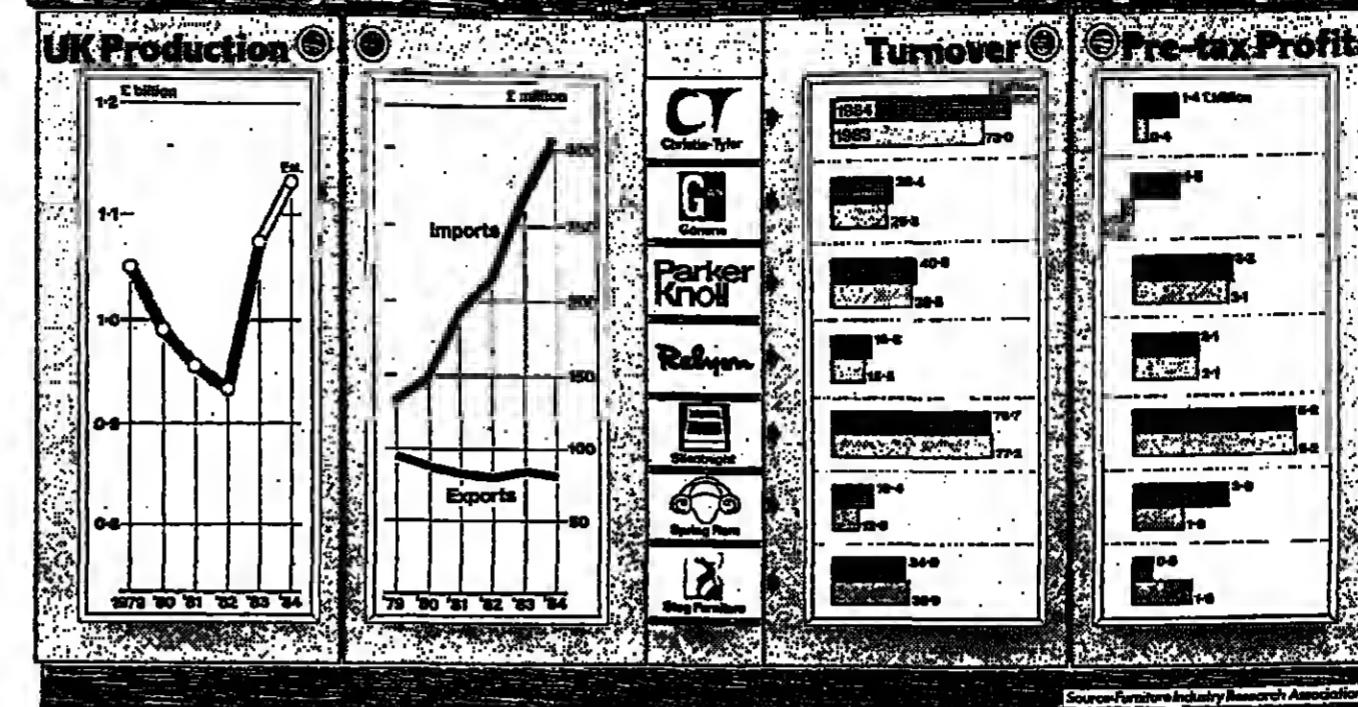
the British Furniture Manufacturers Federation (BFMF). "Quality is up and I'm very optimistic."

Perhaps the most encouraging move have been in the fast growing kitchen furniture sector, where new companies like Kitchens Direct and Spring Ram have been able to come in and pick up significant market shares in a very short time. For example, turnover of Kitchens Direct, a subsidiary of Hawley Scunthorpe dedicated to providing living room suites for Harris Queensway in high volume. Mr Kevin O'Sullivan, finance director of Christie-Tyler, says the group is satisfied with this venture, and sees the need to do more like it so that the manufacturer and big retailers work more closely together.

More mature companies have been adapting. Christie-Tyler, the largest UK manufacturer, last year opened a film highly automated factory at Scunthorpe dedicated to providing living room suites for Harris Queensway in high volume. Mr Kevin O'Sullivan, finance director of Christie-Tyler, says the group is satisfied with this venture, and sees the need to do more like it so that the manufacturer and big retailers work more closely together.

The name has since

How UK furniture manufacturers perform



By Lisa Wood and Ian Rodger

But such ventures are still fairly exceptional. Overall, the manufacturing industry has not responded to the challenge of the retailing revolution, and so has yet to recover from the market slump of the early 1980s.

The alarm bells first went off in 1979 when the value of furniture imports exceeded exports for the first time. This was a heavy blow for an industry which had long prided itself on the quality of its products and its big contribution to the economy. At the time, the industry employed about 90,000 people, most of them in hundreds of tiny, craftsman-led, family firms.

Over the next three years, the combination of recession at home and the deterioration in competitiveness caused by the overvalued pound, sent the industry into a deep slump. By 1983, employment was down to 79,000, turnover had dropped 30 per cent and home deliveries were down by 42 per cent. Many small and not-so-small producers went to the wall, and most of the large producers, including Christie-Tyler and Gomm, suffered losses.

Among the more notable bankruptcies were those of PMA and Hygema. PMA was a lacklustre furniture maker when Mr Malcolm Meredith took it over in 1976. He brought it back to profitability and then struck out on a series of acquisitions, including two long-established manufacturers, Gower Furniture and Harris Lebus in 1979. But the group was overstretched when the recession hit and went bust in March 1981.

Hygema, a former subsidiary of Norcross, was the leading kitchen furniture maker in Britain in the late 1970s, but it suffered a succession of losses because of severe competition and went bankrupt in January 1982. (The name has since

been rescued by Humber Kitchens, a major supplier to MFI of kitchen furniture and appliances.)

Despite the traumas, there was little sign three years ago that the industry as a whole was getting to grips with the major changes taking place in its markets. British furniture makers were still organised to deal with the small, independent retailers that used to be prominent in every high street.

Because both the retailers and the manufacturers tended

for the formation of a sector economic development committee (little Nedd), and is optimistic this will be set up soon.

Asked Sir Basil Feldman, chairman of the EDC for the clothing industry and mastermind of the Better Made in Britain campaign, to help the furniture industry in a campaign to displace imports of plastic parts and finished products.

Launched a number of initiatives to promote exports, including publication of a furniture year book and seminars on area markets.

Also, the Furniture Industry Research Association, on behalf of the BFMF and other industry associations, is in the midst of a major survey of furniture manufacturers and retailers to find out why import levels are so high.

If these initiatives are to achieve anything, there will have to be much greater cohesion in the industry than has been evident in the past. And that, it would seem, points to a greater concentration of activity in fewer firms just as has happened in the retail trade.

That does not mean that everyone is going to be producing high volume goods for the big retail chains. Parker Knoll, which came through the recession relatively unscathed, is proof that there is still a place for the high-quality dining room and upholstered furniture maker.

There is also a place for the specialist high street retailer. But even some of them are having trouble staying in the high street because of high rental costs. Mr Michael Benardou, co-owner of the World of Leather chain, has moved seven

of the group's eight shops out of the high street.

"We realised that in order to show the whole range, we needed to show up to 100 pieces. We could not afford such premises on the high street so we moved to edge-of-town sites and used the money we would have spent on rent in the high street on advertising."

But there is little doubt that the big chains will be the dominant influence

Established UK manufacturers have been slow to move into the growth areas—kitchen and fitted bedroom furniture

to be small businesses, neither could afford to hold large stocks. As a result, the industry worked on long six-to-eight week delivery schedules. There was also little pressure for innovation in style or design in this circuit.

The emergence of the big suburban retail chains, such as MFI and Habitat, changed all that. They wanted style and they wanted deliveries within two weeks of ordering. They, and others, also helped develop new markets in low cost flat pack furniture, especially for kitchens.

Initially, the British companies could not respond to these demands, and so the retailers went abroad. Ten years ago, MFI bought three-quarters of its furniture outside the UK. It has brought down to one-quarter largely by concentrating production, Marks and Spencer style, on a dedi-

1979, dining and living room furniture and upholstered furniture are concentrated, accounted for over half of the total market. By last year, they were down to 47.8 per cent.

Meanwhile, kitchen furniture has risen from 25 per cent to 33 per cent of the total. The bedroom sector is declining overall, but the fitted bedroom sub-sector now accounts for about a fifth of all bedroom sales and is growing strongly.

Sharks Bedrooms, a company created only six years ago to make and retail fitted bedrooms, now has annual turnover of nearly £30m and claims a 15 per cent share of this market.

One reason for the industry's delay in moving into these areas is that they require heavy investment in automatic equipment for precision, volume production. The many small companies in the industry could

not afford such a venture.

These trends have inevitably led to the increase in import penetration in the UK market. But the actual decline of the UK industry appears to have been arrested in 1982. "It's a question of scratching at the sand until you reach bedrock," says Mr Woolven of the BFMF.

Last year, overall production was up 5.5 per cent but the market grew by nearly 8 per cent to £1.37bn. Import penetration in all sectors continued to rise, and in the dining room sector has now reached an alarming 30 per cent. In kitchens, the penetration was 24 per cent last year, while in bedrooms it was 18.5 per cent in dining room 25 per cent.

The main sources of imports are West Germany and Italy, indicating one of the industry's problems. Consumers have tended to think the best kitchen furniture is made in Italy and West Germany, even though some British lines are highly competitive.

Industry leaders in the fitted kitchen and bedroom sectors also point out that the imports in these areas are inflated because of the lack of local producers of melamine-faced chip board and timber cabinet doors.

The dining room and cabinet sector is having to cope with very low-priced imports from Eastern Europe. In 1983, East Germany shipped 52,227 tonnes of furniture to Britain but demanded only £21.5m for it.

West Germany, by contrast, got £130.5m for the 70,000 tonnes it shipped.

The BFMF is trying to get the Government to limit imports from Eastern Europe. It has also taken a number of other new initiatives recently to try to improve the sector's trade performance. It has, for example, applied to the National Economic Development Office

for growth," Mr Harris said.

Letters to the Editor

stated to the potential end user.

D. M. Bevan
Hodkin & Jones (Sheffield),
515 Queens Road, Sheffield.

Voluntary retirement

From Mr J. Francis

Sir—I read with interest the case for voluntary retirement put forward in Mr Williams' letter. From my experience of early retirement, unless in circumstances of a substantial residual pension accompanied by a "golden handshake" (if the sole means of income) the advice is, simply, don't.

I was retired three years ago by my employers after 25 years' service and membership of a group pension fund throughout that time. My wife and I, who have no family, calculated that we would just be able to pay our way. The committed sum of our pension invested in a building society, and a small pension entitlement in respect of my wife's earnings prior to her marriage, would enable us to live at a reduced but acceptable level.

Our calculations were based upon inflation predictions and were, as far as we could predict, reasonably sound.

Alas, what applied three years ago does not apply today. Already our capital has reduced by £800 a year and continues to do so at an increasing rate. The situation in five years' time is unthinkable.

If you have a choice, hold on to your job at all costs. A person in a job can meet increasing charges. Someone on a fixed income cannot.

John B. Francis,
39, Aigton Drive,
Erskine, Renfrew.

Plasterers apprentices

From Mr D. Bevan

Sir—in your item "Job for CERN" in "Men and Matters" (April 12) you refer to my account of the technological spin-off from particle physics published in the CERN Courier (April 1985). This was actually based on evidence accumulated by a group of UK physicists for presentation to the Kendrew Committee which is currently reviewing Britain's participation in high energy particle physics. You incorrectly state however, that the CERN bill is rising annually.

Measured in real terms it has in fact fallen by 20 per cent over the past decade and still kept alive and adapted to modern market requirements but that this message is clearly

1982, and basing the subsequent modest reforms on that year, the long term holder of assets acquired during the rampant inflation of the 1970's has been robbed off what is basically a capital levy.

Since there is a natural reluctance to incur such a levy, there must be many millions of pounds locked into stale investments which might otherwise have provided some of the capital investment required for the new industries of the 1980s. It cannot be right to hinder the free flow of risk capital in this way.

A. D. J. Keay,
53, Cadogan Street, SW3.

Managed funds

From Mr J. English

Sir—I was most interested in the article by George Graham (April 13) headed "Managed funds have let the private investor down."

Any idiot can run a cluster of a dozen or more funds in the expectation that at least one will "beat the indices" and can be advertised while keeping mum about the others; but it is for some while that I have regarded the performance of "the managed fund" as the prime indicator of a group's management ability.

If a group can't manage its own managed fund, can it even manage a "wheel-stall"? Its general management ability must at least be in question.

I have been told "it is unfair to look at the managed fund in isolation, or to compare it with the rest of the market." It probably has a high proportion of bricks and mortar.

If the managers have painted themselves into a corner with a lot of assets of which they cannot dispose, is this very brilliant "management"?

Am I being unfair in assessing a group's overall management ability in looking at the performance of its "managed fund"?

Jeffrey English,
Hangeron,
Brockenhurst, Hants.

Capital gains tax

From Mr A. Keay

Sir—it seems incredible that the long anticipated reform of capital gains tax has once again been shelved, possibly this time for good.

By delaying indexation until

When alcohol begins to cost your spouse, friend, or employee more than money ... we can help.

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THROUGHOUT his life, Ted Turner has made it his business to attempt the impossible. But the 48-year-old former billboard salesman, successful America's Cup yachtsman, cable television pioneer and risk-taker extraordinaire has never faced a challenge as big as CBS.

His bid for America's premier network television group is breathtakingly ambitious even by the standards of the David and Goliath battles that have become commonplace on Wall Street over the last two years.

It pits his small and barely profitable Atlanta-based television group, Turner Broadcasting, against one of the industry's giants. Until a few months ago CBS, which made net profits last year of \$22m on sales of \$4.8bn, was thought to be virtually impregnable—an invincible pillar of the liberal East Coast establishment that Mr Turner loves to hate.

For the last 30 years, CBS and its two arch rivals, NBC and ABC, have dominated the U.S. airwaves, beaming their signal to a national audience through their wholly-owned and affiliated stations. They command the only medium that can offer advertisers and politicians a national daily audience. CBS, which captured the hearts of post-war America with Mr Walter Cronkite's "avuncular" nightly newscast, has set the standards for the industry. In a country which, until recently, had no national daily press, the power of CBS and the other two networks to influence opinion remains enormous.

The possibility that Mr Turner could break into this cosy club of big national broadcasters has only become apparent recently. One network, American Broadcasting Companies (ABC) has already agreed to merge with a fast growing competitor, Capital Cities Communications, in a move which is expected to trigger further changes.

Control over a major network would satisfy Mr Turner's long crusade to change the diet of the American viewer. He has repeatedly accused the big broadcasting groups of being anti-American, materialistic, anti-family, anti-religion and anti-government.

He said recently that his three major competitors were doing the country and the American way of life a "miserable disservice. They are pandering to the worst in us. To your violent nature. To our stupidity. They make a mockery of all the institutions that make our society great."

"Such outbursts have earned Mr Turner the derogatory title 'the mouth of the south'." Wall Street's initial reaction to the offer, marking CBS' shares down \$3.5 last Thursday,

Turner's bid for CBS

A maverick takes his biggest gamble yet

By Terry Dodsworth and Paul Taylor in New York

underlines the scepticism that some of the financial establishment has always had for Mr Turner's exploits. He is one of those businessmen whose personal life intrudes into almost everything he does.

The press cannot forget the picture of "Captain Courageous" scrambling around the floor in search of a drink which sensitive aides had removed from the glare of the television cameras after a sailing victory.

There have been similar episodes. One magazine once described him as "a charming and in corrigible wastrel who left behind him a trail of bottles, blondes, and outrage."

But shining through this maverick behaviour is an extraordinary businessman. His career has been marked by a succession of gambles, starting from the moment when he bought back his father's Savannah billboard company, which was in poor shape after being sold off to a business partner. He was only 24 at the time, recovering from a chequered start to life as a classics dropout from the Ivy-League Brown University.

His first expansion into television was considered as equally audacious. In 1970, he bought a failing Atlanta TV station for \$3.5m which initially at least confirmed all the worst fears of his business associates. But when came satellites—and Mr Turner was one of the first to spot the potential.

Even Mr Turner recognises the risk of issuing such large volumes of high-yielding paper,

WTBS, into a "superstation" which would beam its sports and family programming up to a satellite and back down to cable systems across the U.S. What Mr Turner was creating was the first-ever rival to the dominance of the three national broadcast television networks.

Initially, Mr Turner countered the networks' stranglehold over news coverage by running such programmes as "Star Trek" during peak viewing hours. But in 1980 he decided to confront his competitors head-on by creating his own cable news channel, a move which one disparaging Atlanta TV critic said was "like Attila the Hun deciding he is going to do a summer camp for the elderly."

It is still not clear whether the 24-hours-a-day Cable News Network (CNN) is an inspired innovation or a millstone round his company's neck. Despite winning plaudits from viewers, end professional broadcasters, CNN has been a tremendous drain on resources, with its international chain of bureaux costing an estimated \$50m a year to run. Since its inauguration, Turner Broadcasting has pumped over \$300m into the still-unprofitable venture, all but wiping out the profits generated by WTBS.

The finances of TBS, in which Mr. Turner has a stake of around 80 per cent, have always looked shaky on paper. For years, as the company rushed forward with its headlong expansion, it has operated

at a loss, and last year it managed to raise up earnings of only \$10.1m on sales of \$282m.

In a prospectus to raise additional capital late last year, the company noted it had, "historically been unable to generate sufficient cash flow from operations to meet its needs."

The issue of shares through that offering gave the company a positive net worth for the first time in years. But even now, TBS is "exceptionally highly geared with long-term debt standing at \$175m against equity of \$28.5m."

While a balance sheet of this sort continues to raise some eyebrows on Wall Street, the financial structure that would emerge from his proposed offer for 67 per cent of CBS would make nervous investors hair stand on end.

The all-paper bid, worth around \$155 a share according to Wall Street consensus, would create a mountain of debt. About \$2.56bn of it is in the form of corporate bonds yielding between 15 per cent and 18.25 per cent—at a time when top-quality corporate debt is yielding roughly 12.3 per cent.

These high-yielding, low-quality "junk bonds" are widely used in takeover bids, but rarely in such quantity.

Earlier this week, Mr Thomas Wyman, CBS chairman, said that Mr Turner would not receive any warmer a welcome. Speaking at the 58-year-old company's annual meeting, he cast doubt on Mr Turner's integrity, saying that he did not think he was "moral" enough to run the network.

Stuns like this are unlikely to deter Mr. Turner. The TBS chairman prides himself on his ability to think positively. "The greatest thing in this world is to be free of fear," he told journalists recently at a New York breakfast. "My father feared dying and when he had a nervous breakdown and thought he was going broke he ended up shooting himself. I have worked very hard to eliminate fear."

that it does not have the market to itself. ArianeSpace, the French company, now has about half the market for launching geo-stationary satellites which now runs at about 15-20 a year.

The shuttle itself is proven to be faultless. The fault was with the satellite. It is an avionics problem not a propulsion problem.

Engineers at Hughes, the maker of the satellite, say that an unknown fault on the vehicle stopped it switching on after Discovery jettisoned it into space last weekend.

Similar problems have occurred with three other satellites launched over the past two years by the U.S. fleet of three shuttles. In each case, the malfunction was due to rocket motors that are supposed to boost the satellites into the geostationary orbit 36,000 km up from the low orbit reached by the shuttle.

As the shuttle returns . . .

Houston shrugs off its setback in space

By Peter Marsh in Washington

AMERICA'S SPACE engineers were this week licking their wounds, after the failure of the space shuttle crew to revive a stricken satellite 250 km above the earth.

The drama of the past few days, enacted on millions of televisions around the world, cannot fail to harm the reputation of the U.S. shuttle fleet as a safe deliverer of satellites as officials at NASA, the operator of the shuttles, are the first to acknowledge.

It may also lead to an increase in insurance rates for satellite launches and boost the fortunes of ArianeSpace, the French company selling the Ariane rockets developed by Western Europe.

But NASA engineers firmly believe that the episode, in which the Discovery shuttle made a rendezvous with the ailing Leasat, but failed to resuscitate it with a set of make-shift tools, will count for little in the long run.

The boost motor on Leasat failed to switch on properly after the craft had drifted out of Discovery's cargo area. It appears that a small lever that is supposed to spring out, starting a timing mechanism, had become jammed. "It seems so simple—it should have been foolproof," said a rueful NASA official at the agency's mission control in Houston.

"In the long march of history, you'll never remember this," said Mr Michael Weeks, NASA deputy associate administrator in charge of the shuttle system.

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That apart, NASA officials con-

tinued to insist that the future for the shuttle system looks bright. Each mission—so far there have been 15—runs at a loss at the moment. Commercial fees from satellite owners are only a fraction of the \$55m that each flight costs. But that may be about to change.

Next year, according to Mr Weeks, NASA should start to make money on shuttle flights mainly because of a 100 per cent increase in the costs charged to customers, taking the fee for a one-tonne satellite to about \$22m per launch.

NASA, however, is well aware that it "serves us as difficult," said Mr. Weeks, "to the U.S. public like us to hand over \$2bn (the cost of the shuttle system) of our assets to a corporation."

"I believe that the Government has a proper role in operating the fleet."

In the long term, the shuttle vehicles, on which NASA has so far spent about \$1bn in development costs, are central to the agency's plan for the future, both for building a manned space station in the 1990s and then setting up either a moon base or a manned voyage to Mars after the year 2000.

The shuttles would act as cargo vehicles supplying the station, which would be in low orbit, about 300 km from the earth, and from which the U.S. would organise longer missions further into the solar system.

Mr Ivan Bekey, director of advanced programmes at NASA, said projects of this kind had popular support in the U.S. after a couple of decades in which the public became disillusioned with space activities.

"It's a new frontier and people will go into space for various reasons—to satisfy their intellects, or perhaps to make money. And there will be some who go because, as sure as hell, they want to do it."

"But don't try to justify going to the moon or Mars on an economic basis. If you try this, you are doomed to failure, or else you promise something that you can't deliver."

"The establishment of a human colony on Mars—you can't put a price tag on it."

Weekend Brief

Carry me back to old Virginny

GETTING a ship ready for a maiden voyage is always a merrier's nightmare. When it is a sailing ship set for a three-month, 6,000-mile trip without even an auxiliary engine and crewed by part-time sailors, you can double the nightmare.

This is why skipper George Godspeed, a 52-year-old Virginian, isn't too happy about having visitors on board the good ship Godspeed. A lot has to be done before she sails from Blackwall in 10 days time, in the wake of the original Godspeed which took some of the first English settlers to Virginia

years ahead of the Mayflower, in 1606.

Why 6,000 miles? The Godspeed's original passengers didn't know exactly where they were going, so the voyage is far south past the Canaries, round the Caribbean islands.

The repeat voyage is surrounded by media razzamatazz which is why Captain Salley had to let his crew, who might well have been working at the Gravesend mooring, appear in Jacobean costume to lay sprays of red end yellow tulips on the memorial to a Red Indian princess in a Kent churchyard.

The homage to Pocahontas was in the Gravesend churchyard of St George's.

Miss Peggy Lee sang: "Cap'n Smith and Pocahontas had a very mad affair, when her father tried to kill him she said Daddy, don't you dare, be gives me fevers." This doesn't exactly jell with the historical facts because Pocahontas was only 12 when she saved Captain John Smith, one of the first

explorers.

She later married another young settler, became a Christian, went back to England with him and was presented to the King and Queen. She died of smallpox at the age of 22 on the eve of sailing back to Virginia from Gravesend.

So there Captain Salley was, with Pocahontas, John Smith, and all the fleshpots of London beckoning as he tried to get Virginiac for the big voyage.

The voyage is arranged by America's Jamestown-Yorktown Foundation and the Suffolk-based Gosnold Society, with major sponsorship by City insurance brokers Willis Faber. About £100,000 of British money has gone into it, rather more from America.

But the last word must go to the man in the boat who ferried those unwelcome visitors out to the Godspeed in Gravesend this week. "I'm taking the crew back and forth all day," he said. "I don't want to put them off, but all I tell them is 'You must be bloody bonkers.'"

Even Mr Turner recognises that it does not have the market to itself. ArianeSpace, the French company, now has about half the market for launching geo-stationary satellites which now runs at about 15-20 a year.

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For VIPs or Very Important Pets

SOMEONE HAD to do it, somewhere. Oddly, it was not in Britain. The Dog Museum is on Madison Avenue, New York, the city which gave the English language the pooper-scooper gift.

The Dog Museum of America has been set up by the American Kennel Club. It is well kept secret, few New Yorkers have even been there. Nevertheless, it proved easy enough to find for those interested in the current "Presidential Pets" show.

Animal companions of Presidents are, inevitably, a rich subject with a promising vein of humour. From the moment Lyndon Johnson picked up his wretched beagle by the ears, the media has been watching, hawk-like, for another such gaffe. Hm and Hm, the Johnson beagles, were preceded by another high-profile beast, Richard Nixon's Checkers. More recently, the emphasis has shifted; Amy took the role of pet in the Carter household, in a double act with Miss Lillian. These days, President Reagan remembers the theatrical maxim about children and animals and keeps centre stage.

In the past, things were very different. The exhibition commemorates an Airdale (President Harding's), which had a chair at Cabinet meetings and was interviewed at length in the Washington Star. The White House lawn has provided grazing for Woodrow Wilson's sheep and President Taft's cow.

Indoor staff during John Quincy Adams' term of office must have been taken aback to find an alligator in the laundry room. (When the creature arrived, as a gift, Mrs Adams thought—logically enough—that the room would suit its need.) In Coolidge's day the White House was

From egghead to police chief

MIYAZAKI Prefecture may well be the birthplace of the first Japanese Emperor, Jinno, 2,500 years ago. More recently it enjoyed a brief vogue as the nation's honeymoon capital, before the young got rich and discovered Hawaii. But to most urban, sophisticated Japanese, Miyazaki is part of the southern island of Kyushu, the country's international eyes and ears, had become conscious that its domestic power base was insufficient, that it needed to reduce road fatalities — has been avoided.

It all came about because of one of those intricate deals which are so dear to the heart of the national Japanese bureaucracy. The Foreign Ministry, which it is, was at the end of 1983, comfortably ensconced in Wimborne, a fellow at the International Institute of Strategic Studies and an author of one of its distinguished *Adelphi Papers*.

Not surprisingly, perhaps, in view of his delight in big game hunting, Theodore Roosevelt, the most considerate man to the Foreign Ministry, was at the end of 1983, comfortably ensconced in Wimborne, a fellow at the International Institute of Strategic Studies and an author of one of its distinguished *Adelphi Papers*.

More that that, on the side of some of London's luminaries to bring Japan and Britain closer together in the form of a new Konigsberg-model consultancy body. This convened, as the "Group 2,000," for the first time in Japan in February, with Jim Prior leading the British team.

But Sato was not present at his creation for one very good reason — for the past 14 months he has been holding down the highly improbable job of police chief of Miyazaki.

It is an unlikely marriage in which both bride and groom are professionals. I will take full responsibility for what you do. You do your work in your own way and do not worry about the consequences." Yonetamaru confirms that this mattered a lot to the average policeman, in a society where taking responsibility can often be a deterrent to doing what has to be done.

Sato insists he is "still an amateur" and interferes little with actual cases, though he recalls settling one dispute between detectives over whether or not to haul in a suspect for early questioning. But the technique seems to have paid dividends. He inherited four major unsolved murders and was quickly saddled with another; three of these are now off the books. Just last month another was solved within ten days by what he describes as "really solid police work."

Hammeron profits up 24% and portfolio at £1.4bn

Hammeron Property yesterday reported a further increase in profits with the pre-tax result for 1984 showing a rise of 24 per cent from £26.9m to £33.6m.

Over the past five years profits have more than quadrupled from 1979's £7.63m and the dividend has been raised in each successive year. The current final dividend is up from an equivalent 6p to 6.5p, which in effect raises the total distribution by 1p to 8.5p.

Last year also saw a £45m increase in the value of Hammeron's investment property portfolio, which stood at £1.43bn at the year end giving a net asset value per 25p share of £62p, against 52p a year previously.

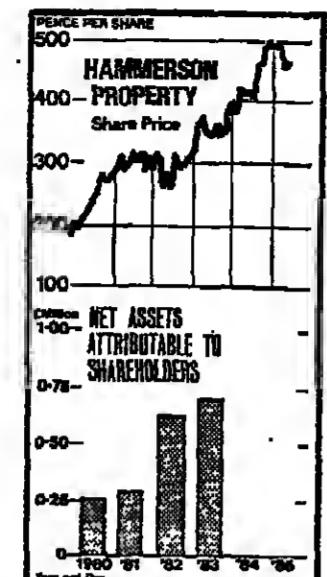
At half way pre-tax profits were up by £3.8m to £15.39m.

Full-year earnings per share rose from an adjusted 13.88p to 14.13p after tax up at £1.15m against £8.98m, reflecting higher overseas tax and ACT written off. There were minorities of £1.08m (£0.67m) and extraordinary credits of £1.21m (£0.5m).

The taxable result was attained on gross rental income of £104.95m, compared with £74.75m, and included property trading profits £0.2m higher at £2.12m.

After all charges the retained balance amounted to £12.65m (£10.97m).

Hammeron UK Properties made £6.37m (£1.74m) pre-tax on



refinanced some of its Canadian floating rate debt with a preferred share issue raising up to £575m (£17m at prevailing rates) for its subsidiary, Hammeron Canada.

• comment

This is the first time for some years that Hammeron has fallen below 30 per cent in its year-on-year rate of profits increase, but that is no real cause for concern. Currency movements were less beneficial than they have been in the past, and the early 80s was also a period when the group was acquiring interests in other property companies which showed an above-average rate of increase. This has now virtually ceased, and group operations now have to generate profits on their own merits. Concentration is to order for the Mascal performance, which accounted for more than half of the sizeable rise in gross rental income. It will still take a couple of years for this to feed through fully to the trading level, but in the meantime Hammeron has an attractive operation in downtown Los Angeles which should stand it in good stead, and promises to maintain its bullish approach in North America. Acquisitions in far are on the cards, in any event, and the group currently has a bed of 250 units.

The shares rose 5p yesterday to 460p for a yield of 2.6 per cent — low for the property sector.

gross rental income of £28.23m (£23.5m).

Over one-third of Hammeron's total portfolio is now located in Canada following the recent acquisition for £59m of Rank Organisation's Canadian property interests.

The portfolio comprises five properties and in the year in October 1984 they contributed £57.3m (£4.2m at current rates) to Rank's group profits.

Last year, Hammeron paid £47m for Mascal Corporation. In October 1984, Hammeron

improved in gross rental income of £104.95m, compared with £74.75m, and included property trading profits £0.2m higher at £2.12m.

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UK COMPANIES

INTERNATIONAL COMPANIES and FINANCE

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

| Company | Value of bid for | Market share** | Price bid | Value £m** | Bidder |
|---|------------------|----------------|-----------|------------|-----------------------------|
| Prices in pence unless otherwise indicated. | | | | | |
| Adams & Gibbons | 240 ¹ | 246 | 234 | 4.32 | Keep Trust. |
| Allied Textile | 541 | 500 | 410 | 44.61 | London & Midland |
| Amalg. Pcl | 62 ¹ | 60 | 50 | 9.88 | Merle Exptn |
| ASSE Ulster | 450 ¹ | 445 | 365 | 9.00 | Minet Int'l |
| Brown & Boveri | 351 ¹ | 33 | 1.19 | 1.19 | Promotions Hse |
| Brown (Matthew) | 157 ¹ | 598 | 323 | 103.18 | Seet & Newcastle |
| Bunzl Wright R. | 140 ¹ | 108 | 116 | 9.42 | Hederson Group |
| Dunlop | 23 ¹ | 65 | 51 | 33.08 | PTV |
| Energy Services | 64 ¹ | 67 | 31.02 | 2.95 | Petrol Hldgs |
| Foster Bros | 231 ¹ | 228 | 228 | 37.12 | 2nd Gear |
| Frederick | 340 ¹ | 310 | 222 | 1.12 | Telex House |
| House of Fraser | 400 ¹ | 396 | 346 | 51.42 | Al Fayed Inv & Traders (UK) |
| Hurst (Charles) | 300 ¹ | 193 | 190 | 4.32 | Garragh Sees |
| Inter Business Sys | 40 ¹ | 35 | 40 | 5.40 | Webster & Inglis |
| Inglis | 80 ¹ | 70 | 73 | 7.38 | Midland Co-op |
| Justitiat | 531 ¹ | 521 | 533 | 165.58 | BET |
| Manor National | 113 ¹ | 120 | 64 | 28.23 | Williams Hldgs |
| PTV | 288 ¹ | 288 | 138 | 56.92 | Al Fayed Inv & Traders (UK) |
| Potteries | 851 ¹ | 81 | 13.36 | 56.42 | Assoc Datries |
| Portledge & Co. | — | — | — | — | Saxxon Oil |
| Kegan Paul | 400 ¹ | 395 | 283 | 4.56 | Assoc Book |
| Times Venator | 20 ¹ | 18 | 49 | 1.41 | CDI Hldgs |
| Trident Computer | 821 ¹ | 75 | 70 | 2.06 | Park Place |
| URM | 186 ¹ | 186 | 111.00 | 111.00 | Norcrest |
| Warling & Shipman | 180 ¹ | 147 | 155 | 24.96 | Hopescare |

* All cash offer. ¹ Cash alternative. ² Partial bid. ³ For capital not already held. ⁴ Unconditional. ⁵ Based on April 19, 1986. ⁶ At suspension. ⁷ Shares and cash. ⁸ Related to NAV to be determined. ⁹ Loan Stock. ¹⁰ Suspended.

PRELIMINARY RESULTS

| Company | Year to | Pre-tax profit (£'000) | Earnings* per share (p) | Dividends* |
|--------------------|---------|------------------------|-------------------------|---------------|
| Albion Plant | Dec | 207 | 1.09 | (—) |
| AM Holdings | Dec | 8,610 (18,270) | 11.22 (24.11) | 11.25 (11.25) |
| Amcorum | Jan | 1,320 (618) | — | — |
| Amico Comp | Dec | 10,530 (5,200) | 24.8 (13.01) | 2.25 (0.67) |
| Amico | Feb | 3,040 (2,610) | 4.95 (1.75) | — |
| Amoco Hldgs | Dec | 3,040 (2,620) | — | — |
| Amoco Maxxim | Dec | 2,250 (1,650) | 22.8 (15.9) | 7.0 (5.5) |
| Amoco & Hawke's | Dec | 321 (736) | — | — |
| Amoco Hldgs | Dec | 30,950 (16,282) | — | 5.48 (4.68) |
| Amoco | Dec | 37,860 (22,080) | 36.6 (16.31) | 11.0 (6.0) |
| Amoco | Dec | 481 (1,515) | 9.0 (6.8) | 1.0 (—) |
| Amoco | Dec | 48,800 (22,100) | — | — |
| Amoco | Dec | 4,210 (3,830) | 19.7 (18.8) | 6.0 (4.65) |
| Amoco | Dec | 6,630 (5,500) | 7.7 (7.0) | 5.15 (4.6) |
| Amoco St Bur | Dec | 1,410 (4,437) | 9.1 (3.6) | 4.0 (1.0) |
| Amoco Horace | Dec | 1,090 (3,041) | 5.9 (3.8) | 2.0 (1.4) |
| Amoco | Dec | 514 (2,077) | 5.7 (3.1) | 1.5 (0.5) |
| Amoco | Jan | 4,007 (4,071) | — | 1.0 (0.95) |
| Amoco | Dec | 3,400 (3,069) | — | — |
| Amoco & Garick | Dec | 1,410 (1,200) | 67.8 (58.1) | 12.0 (12.0) |
| Amoco | Dec | 8,600 (6,960) | 8.7 (7.4) | 3.0 (2.8) |
| Amoco Ind | Dec | 1,030 (1,120) | 4.6 (5.6) | 2.0 (1.0) |
| First Castle Elect | Jan | 2,330 (1,738) | 10.8 (8.6) | 2.12 (1.93) |
| Angury | Dec | 992 (1,600) | 3.1 (5.7) | 4.02 (4.02) |
| Portman & Mason | Jan | 1,080 (522) | 14.80 (7.20) | 35.0 (28.51) |
| Forward Tech | Dec | 965 (865) | — | — |
| Amoco & Univas | Dec | 17,110 (30,490) | 20.6 (19.91) | 10.0 (10.0) |
| Amoco | Dec | 508 (378) | — | 2.0 (1.4) |
| Amoco | Dec | 4,130 (3,892) | — | 6.85 (6.25) |
| Amoco | Dec | 14,500 (12,000) | 20.2 (16.5) | 7.88 (7.0) |
| Amoco | Dec | 31,440 (25,720) | 17.5 (16.2) | 10.2 (9.5) |
| Amoco | Dec | 27,560 (25,720) | 17.5 (16.2) | 10.2 (9.5) |
| Amoco | Dec | 151,500 (137,500) | 42.0 (43.0) | 12.0 (10.0) |
| Amoco | Dec | 672 (327) | 7.3 (7.0) | 3.5 (3.15) |
| Amoco | Dec | 1,017 (1,010) | — | 2.5 (2.5) |
| Amoco | Dec | 1,460 (12,040) | 15.6 (10.0) | 3.1 (1.7) |
| Amoco | Dec | 8,600 (7,600) | 8.7 (7.4) | 3.0 (2.8) |
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| Amoco | Dec | 508 (| | |

WORLD STOCK MARKETS

NEW YORK

| | Stock | Apr. 18 | Apr. 17 | Stock | Apr. 18 | Apr. 17 | Stock | Apr. 18 | Apr. 17 | Stock | Apr. 18 | Apr. 17 | Stock | Apr. 18 | Apr. 17 | Stock | Apr. 18 | Apr. 17 | Stock | Apr. 18 | Apr. 17 | | | |
|------------------|-------|---------|------------------|-------|---------|----------------|------------|---------|--------------|--------------|---------|------------------|------------------|---------|---------|---------------|---------|---------|---------------|---------|---------|---------------|----|----|
| AMCA | 104 | 11 | 103 | Chubb | 581 | 624 | Hall Corp. | 287 | 292 | Schlumberger | 394 | 381 | Sure Pacific "A" | 83.35 | 84.1 | St. Louis Gas | 81 | 81 | St. Louis Gas | 81 | 81 | St. Louis Gas | 81 | 81 |
| AMR Corp. | 414 | 424 | Cincinnati Mil. | 25 | 22 | Hammill Corp. | 301 | 301 | Motorola | 511 | 501 | Siemens | 112 | 112 | Siemens | 112 | 112 | Siemens | 112 | 112 | | | | |
| ASA | 181 | 185 | Citco | 485 | 484 | Harsco | 184 | 182 | Munsingwear | 211 | 211 | Scott Paper | 371 | 371 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| AVX Corp. | 181 | 185 | Cirque Equipment | 28 | 28 | Hartford Brace | 491 | 491 | Murphy (CG) | 443 | 452 | Seafarers | 104 | 104 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Abell Lab. | 51 | 51 | Civco Chitron | 191 | 194 | Hersco | 201 | 201 | Murphy (CG) | 443 | 452 | Siemens | 112 | 112 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Adobo Oil & Gas | 184 | 185 | Cluek Peabody | 514 | 514 | Hess Mining | 171 | 174 | Nalco Chem. | 34 | 34 | Siemens | 112 | 112 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Advanced Micro | 293 | 314 | Coco Cola | 70 | 69 | Hellenic Brew. | 21 | 20 | Nat. Can. | 417 | 413 | Sealed Power | 264 | 264 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Aetna Life | 404 | 404 | Colgate Palm. | 25 | 25 | Hemlock & F. | 22 | 22 | Nat. Gypsum | 201 | 201 | Sears Roebuck | 201 | 201 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Alhmanen (H.F.) | 331 | 331 | Com. Alkman | 571 | 574 | Hercules | 70 | 69 | Hercules | 53 | 53 | Securi Pac. | 203 | 203 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Air Prod. & Chem | 481 | 484 | Cook Ind. | 281 | 281 | Hershey | 25 | 25 | Hershey | 401 | 401 | Security Pac. | 203 | 203 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Alberto Culv. | 15 | 16 | Combinted Int. | 444 | 443 | Hitachi | 314 | 314 | Hewitt | 514 | 514 | Service Master | 351 | 351 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Alcoa | 33 | 33 | Holiday Inn. | 531 | 531 | Hobart | 287 | 287 | Hicks | 371 | 374 | Sherid Med. Sys. | 302 | 302 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Almax | 174 | 174 | Holy Sugar | 784 | 784 | Hillman | 201 | 201 | Hillman | 301 | 301 | Sherrid Trans. | 342 | 342 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Amdahl Corp. | 14 | 13 | Home Depot | 18 | 18 | Honeywell | 571 | 571 | Hirsch | 61 | 61 | Sherwin Wm. | 551 | 551 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Amerada Hess. | 301 | 301 | Hometek | 23 | 26 | Holloway | 521 | 521 | Holiday Inn. | 531 | 531 | Signal | 364 | 364 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Am. Standard | 51 | 51 | Hospital Corp. | 41 | 41 | Honeywell | 571 | 571 | Holiday Inn. | 531 | 531 | Signt | 364 | 364 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Alexander & Al. | 50 | 50 | Hospital Int. | 55 | 55 | Hornell | 53 | 53 | Holiday Inn. | 531 | 531 | Signt | 364 | 364 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Allied Stores | 53 | 53 | Hospital Pow. | 61 | 61 | Hornell | 53 | 53 | Holiday Inn. | 531 | 531 | Signt | 364 | 364 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Allis Chalmers | 51 | 51 | Hospital Pow. | 61 | 61 | Hornell | 53 | 53 | Holiday Inn. | 531 | 531 | Signt | 364 | 364 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Alta Portland | 22 | 22 | Hospital Pow. | 61 | 61 | Hornell | 53 | 53 | Holiday Inn. | 531 | 531 | Signt | 364 | 364 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Alcoa | 33 | 33 | Hospital Pow. | 61 | 61 | Hornell | 53 | 53 | Holiday Inn. | 531 | 531 | Signt | 364 | 364 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Almax | 174 | 174 | Hospital Pow. | 61 | 61 | Hornell | 53 | 53 | Holiday Inn. | 531 | 531 | Signt | 364 | 364 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Amdahl Corp. | 14 | 13 | Hospital Pow. | 61 | 61 | Hornell | 53 | 53 | Holiday Inn. | 531 | 531 | Signt | 364 | 364 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Amerada Hess. | 301 | 301 | Hospital Pow. | 61 | 61 | Hornell | 53 | 53 | Holiday Inn. | 531 | 531 | Signt | 364 | 364 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Am. Standard | 51 | 51 | Hospital Pow. | 61 | 61 | Hornell | 53 | 53 | Holiday Inn. | 531 | 531 | Signt | 364 | 364 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Allegeny Int. | 27 | 27 | Hospital Pow. | 61 | 61 | Hornell | 53 | 53 | Holiday Inn. | 531 | 531 | Signt | 364 | 364 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Allegeny Int. | 27 | 27 | Hospital Pow. | 61 | 61 | Hornell | 53 | 53 | Holiday Inn. | 531 | 531 | Signt | 364 | 364 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Allegeny Int. | 27 | 27 | Hospital Pow. | 61 | 61 | Hornell | 53 | 53 | Holiday Inn. | 531 | 531 | Signt | 364 | 364 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Allegeny Int. | 27 | 27 | Hospital Pow. | 61 | 61 | Hornell | 53 | 53 | Holiday Inn. | 531 | 531 | Signt | 364 | 364 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Allegeny Int. | 27 | 27 | Hospital Pow. | 61 | 61 | Hornell | 53 | 53 | Holiday Inn. | 531 | 531 | Signt | 364 | 364 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
| Allegeny Int. | 27 | 27 | Hospital Pow. | 61 | 61 | Hornell | 53 | 53 | Holiday Inn. | 531 | 531 | Signt | 364 | 364 | Silkray | 104 | 104 | Silkray | 104 | 104 | | | | |
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STERLING INDEX BY I. H. Kotwala, London 100

Financial Times Saturday April 20 1985

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar nervous

The dollar finished above the day's lows in currency markets yesterday but was still down from Thursday's level. The market was still showing signs of shock after the recent sharp decline in the dollar's value, amid growing evidence that the pace of U.S. economic growth is slowing and that U.S. interest rates are likely to ease. The dollar closed at DM 3.2970 from Dfl. 2.9845 and FFr. 2.9730 from FFr. 2.9270. It was also lower against the Swiss franc at Swiss Fr. 1.4705 from Swiss Fr. 1.4705 and FFr. 1.1775. It was also lower against the Swiss franc at Swiss Fr. 1.4705 from Swiss Fr. 1.4705 and FFr. 1.1775.

Sterling was slightly weaker on the day with its index closing at 79.5 down from 79.8. Trading was confined to a fairly narrow

£ IN NEW YORK

| | April 19 | prev. close |
|----------|---------------|---------------|
| 1 month | 81.270-81.288 | 81.308-81.288 |
| 2 months | 81.270-81.288 | 81.61-81.59 |
| 3 months | 81.270-81.288 | 81.55-81.56 |

Forward premiums and discounts apply to the U.S. dollar.

OTHER CURRENCIES

| | Apr. 10 | 8 | 9 | Note Rate |
|------------------|-----------------|-----------------|---------------|---------------|
| Argentina Peso | 580.45-591.80 | 408.88-403.07 | Austria | 26.90-27.80 |
| Australia Dollar | 1.9955-1.9958 | 1.5480-1.5500 | Belgium | 77.75-78.55 |
| Swiss Cruzado | 6.1684-6.1988 | 6.7702-6.7950 | Denmark | 15.75-15.95 |
| French Franc | 4.341-4.358 | 4.25-4.26 | Finland | 1.2286-1.2305 |
| Greek Drachma | 167.19-170.50 | 139.82-139.95 | Ireland | 1.2286-1.2305 |
| Hong Kong Dollar | 10.9805-10.9800 | 10.9805-10.9800 | Italy | 2.465-2.4695 |
| Iran Rial | 11.80-11.85 | 11.75-11.80 | W. Ger. | 2.464-2.4695 |
| Kenya Shilling | 0.8480-0.8485 | 0.8480-0.8485 | Portugal | 1.89-1.90 |
| Luxembourg F. | 77.77-77.80 | 80.00-80.15 | Spain | 105.85-106.85 |
| Malaysia Ringgit | 5.1825-5.1885 | 5.2440-5.2445 | Sweden | 7.81-7.85 |
| New Zealand Oi | 8.8100-8.8200 | 8.1740-8.1885 | Japan | 200.20-200.25 |
| Singapore Dollar | 2.1820-2.1825 | 2.1065-2.1085 | Switzerland | 1.39-1.40 |
| 5th African Rand | 2.4319-2.4460 | 1.8816-1.8920 | U.A.E. Dirham | 4.7430-4.7540 |
| U.S. Dollar | 1.4740-1.4750 | 1.4740-1.4750 | | |

* Selling rate.

EXCHANGE CROSS RATES

| | Pound Sterling | U.S. Dollar | Deutschmark | Japanese Yen | French Franc | Swiss Franc | Dutch Guild | Italian Lira | Canadian Dollar | Belgian Franc |
|--------------------|----------------|-------------|-------------|--------------|--------------|-------------|-------------|--------------|-----------------|---------------|
| Pound Sterling | 1.775 | 1.894 | 3.848 | 310.8 | 5.198 | 4.555 | 2465. | 1,748 | 77.75 | 60.10 |
| U.S. Dollar | 0.573 | 1.275 | 0.793 | 247.1 | 3.256 | 3.256 | 1908. | 1,580 | 60.10 | |
| Deutschmark | 0.860 | 0.337 | 1. | 86.18 | 0.821 | 1.151 | 641.1 | 0.485 | 20.00 | |
| Japanese Yen 1,000 | 3.187 | 4.047 | 12.03 | 1000. | 56.77 | 77.05 | 7705. | 0.485 | 24.52 | |
| French Franc 10 | 0.361 | 1.101 | 1.205 | 9.270 | 10. | 2.717 | 2097. | 1.485 | 65.15 | |
| Swiss Franc | 0.313 | 0.406 | 0.406 | 100.1 | 1.680 | 1.680 | 771.5 | 0.547 | 84.85 | |
| Dutch Guild | 0.520 | 0.897 | 0.898 | 129.7 | 0.700 | 0.756 | 566.0 | 0.401 | 17.85 | |
| Italian Lira 1,000 | 0.406 | 0.535 | 0.535 | 477.0 | 1.295 | 1.295 | 1,000. | 0.709 | 51.84 | |
| Canadian Dollar | 0.870 | 0.740 | 2.200 | 182.0 | 5.798 | 5.798 | 1,822. | 2.492 | 100. | |
| Belgian Franc 100 | 1.888 | 1.884 | 4.945 | 421.6 | 16.10 | 4.109 | 5,601 | 2.848 | 44.94 | |

UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

Belgian rate is for convertible francs. Financial Iranc 80.30-80.40.

DOLLAR SPOT—FORWARD AGAINST POUND

April 19 Day's spread Close One month % p.m. % Times %

U.S. 1.2885-1.2905 1.2885-1.2905 1.2885-1.2905 1.2885-1.2905 1.2885-1.2905

2.20 am 79.6 79.5 79.4 79.3 79.2

9.00 am 79.4 79.0 78.4 78.2 78.0

10.00 am 79.3 79.0 78.9 78.7 78.6

11.00 am 79.3 79.0 78.9 78.7 78.6

Noon 79.4 79.3 78.9 78.7 78.6

UK clearing banks base lending rate 12.13 per cent since April 19

sterling rate 12.13

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MAN IN THE NEWS

From easy chair to hot seat

BY PHILIP BASSETT

SUDDENLY, it has all gone wrong. Nine months after seeing his disfavoured son, Ron Todd, safely—if narrowly—installed as his successor as general secretary of the Transport and General Workers Union, allegations of ballot-rigging have sprung up with such force as to make the last 10 weeks of Moss Evans's tenure something a good deal more than a comfortable coast towards a well-earned retirement.

Instead, a nightmare: proven cases of corrupting the ballot, mounting allegations of malpractice and intense pressure from Government, the media and Dr David Owen, the SDP leader, who is turning the issue into a personal crusade.

His passion is matched only by that of Mr Evans. In the last months of his 35 years in the union, he has—had to—become a man with a mission: clearing the union's good name. The union's opponents—including some other unions, previously bested by the TGWU and now with scores to settle—don't feel the union ever had one: they see it, gleefully, as a Herculean task of impossible proportions, Augean stable that cannot be cleansed.

Within the union, Mr Evans's preference for Mr Todd as his successor—matched during last year's election by similar feelings in both the TUC and in Whitehall—was well known. As returning officer he was plainly fair, though he is now acknowledging that some in the union



Mr Moss Evans... nightmare

may have been "over-enthusiastic" in trying to get their candidate elected.

With 1.5m members, organised—loosely—into some 9,000 branches, spread across an unknown number of workplaces in just about every industry imaginable, Mr Evans accepts that it may well be impossible to hold a perfect ballot in the TGWU.

He has promised to investigate every complaint brought to his attention, and is doing so; regional officials testify to his diligence in seeking hard facts to check the allegations being made.

He admits personal frustration at not knowing of the charges in order to scrutinise them, and this has led him in part to accept the conspiracy theory of the allegations now firmly held in some parts of the union.

Mr Evans has spoken darkly of the SDF, of a Tory knight, scuttling to "get rid" of Mr Todd or, if nothing else, to discredit the union's voting practices as to diminish sharply its chances in the ballot now required by law of retaining its political fund—and, therefore, Labour's single largest source of income.

Lifting the cloud the allegations has brought upon the union would be a crowning achievement to a period of office in which he has secured the union financially, and achieved through mergers what growth was possible in tight times. But there has also been criticism, particularly in comparison with his predecessor, Jack Jones: lack of authority, lack of charisma, lack of clout.

Truth there is in these charges, but not wholly so. They are at least as much a structural problem of the giant, sprawling TGWU as they are of Mr Evans, and a problem of timing: it is easier to have authority when Labour is in power, to have charisma when the unions are listened to, and to have clout when your membership is spiralling to 2m-plus.

Now two months off 60, Mr Evans's performance in the top job has been questioned despite his long, proven history in the union: the son of a miner and one of 12 children.

If questioned before, how much more now? "My personal standing is now at stake within the union," he says. "I would like to soldier on and clear my name to show that I did everything according to the book."

Lawson predicts lower U.S. rates

BY MAX WILKINSON AND STEWART FLEMING IN NEW YORK

U.S. INTEREST rates are set to come down further. Mr Nigel Lawson, the Chancellor, said yesterday. He was speaking at the end of a three-day series of meetings for the world's financial leaders in Washington.

Finance ministers and central bank governors, gathered for the policy-making committee of the International Monetary Fund and World Bank, have agreed that further cuts in interest rates will be an important key to preventing the world from moving into recession and to alleviating debtor nations' difficulties.

After his talks with U.S. and other financial leaders, Mr Lawson said there was a general feeling that it was desirable for the U.S. to lower its interest rates and that there was no immediate danger of an upward trend. He added that much would depend on the ability of the U.S. to reduce its budget deficit and he issued a

politically-controversial plea for the U.S. to raise taxes.

"Really, what they need to do is to match the planned \$50bn (£28bn) of spending reductions with an increase in taxation."

The expectation of further falls in U.S. interest rates and sterling's firmness on foreign exchanges appear to have improved the outlook for UK interest rates, but the authorities remain cautious about short-term prospects for inflation and monetary growth.

Yesterday Mr Lawson would say only that he expected further falls in UK interest rates before the end of the year. According to the Chancellor, ministers have two anxieties about the prospects for lower interest rates. They fear both the possibility of a precipitate decline in the dollar, which might force the U.S. authorities to tighten monetary policy, and that the Federal deficit might also prolong high interest rates.

Moistors agreed that the IMF and the World Bank should continue in broadly their present roles and expressed the need for strengthening the IMF's authority.

Mr Lawson described U.S. fiscal policy as "grossly mistaken". He had predicted it would "end in tears" and now the high deficit was creating great difficulties for the U.S. in its desire to cut interest rates.

The official communiqué of the IMF's interim committee yesterday echoed this concern in more subdued language, although it welcomed the U.S. Administration's current efforts to reduce the deficit.

More generally, the ministers endorsed the general policy among the leading powers of continuing with tight financial policies and reduced government borrowing. They also backed the IMF's general approach to debt problems on a case-by-case basis.

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Enclosed rescheduling, Page 2

The communiqué made an urgent call for moves in reverse recent trends towards protectionism. This, and proposals for a new round of talks in the General Agreement on Tariffs and Trade, is likely to become a major topic at the economic summit in Bonn next month.

The communiqué added: "It is equally important to seek greater exchange rate stability."

In spite of recent evidence of slower growth of the U.S. economy, the main industrial powers of Europe and Japan have rejected any idea of concerted inflation of their economies to take up the slack. Mr Lawson said there were "no alarm bells" ringing on the growth front.

There was no indication at all that the U.S. supported any move which would increase budget deficits in Europe, and there was certainly no case for fiscal inflation of this kind in the UK.

Enclosed rescheduling, Page 2

Employers shift ground in teachers' dispute

BY DAVID BRINDLE, LABOUR STAFF

THE EMPLOYERS yesterday shifted their ground in the teachers' pay dispute at England and Wales by offering to approach the Government jointly with the unions to seek extra money.

The Labour-controlled Association of Metropolitan Authorities (AMA) viewed the outcome of the employers' meeting as an important victory over the Conservative Association of County Councils, which had been maintaining a hard line.

Previously the employers insisted that their 4 per cent

pay offer was final and that the only alternative was arbitration or talks on a revised teacher contract. The unions said they wanted a no-strings improved offer.

The employers' statement yesterday made no reference to arbitration or to conciliation. It accepted the unions' contention that the statutory Burnham pay negotiating committee was "the only arena" in which the present dispute could be resolved.

No reference was made to a revised contract in the statement, which asserted only that

there should be informal talks with the unions before a meeting of Burnham "in the near future" and that discussions should be held about the basis on which to approach Government.

Mr Fred Jarvis, leader of the teachers' side of Burnham, welcomed the employers' intention to call a meeting of the committee. He added that it was not clear whether an improved offer was proposed and as the unions would meet to discuss the initiative next Tuesday.

Britoil joins UK onshore search

BY DOMINIC LAWSON

BRITOIL, BRITAIN'S biggest independent oil company, is to pay £27m for the UK assets of Hudson Petroleum International, the UK-listed subsidiary of the U.S. oil company, Hudson Petroleum Corporation.

The deal gives Britoil its first involvement in UK onshore exploration. Hudson Petroleum International is known chiefly for its extensive acreage in Surrey, Sussex, Hampshire, Dorset, Somerset and Wiltshire. These cover stakes in the Humble Grove oilfield and the Horndean and Hereward oil discoveries, all in Hampshire.

Mr Malcolm Ford, Britoil joint managing director, said yesterday the acquisition represented a significant extension of Britoil's domestic activities

which had hitherto been restricted to the UK Continental Shelf.

The Government is soon to launch the first UK onshore licensing round and the Hudson deal is intended clearly as a base for bids for more onshore acreage.

Mr Bob Speirs, Britoil finance director, said yesterday that Britoil had no firm plans for further corporate acquisitions of this type. But he added: "This company is always looking."

Mr Steve Houghton, chief operating officer of Hudson Petroleum Corporation, said yesterday that its UK company did not have sufficient cash resources to finance likely developments both in the UK and overseas.

Britoil's share price fell yesterday, closing at 210p.

national would retain exploration interests in Spain, Korea and Indonesia.

Mr Houghton said Hudson Petroleum Corporation, which owns 76 per cent of Hudson Petroleum International, would consider buying out the minority holding of the British deal.

HPI came to the stock market in 1982 at 80p per share but the issue flopped. Yesterday the shares closed at 56p, showing a 12p gain over the past two days.

The Stock Exchange has yet to authorise a formal announcement of the deal. This is expected on Monday, possibly accompanied by a suspension of the shares.

Britoil's share price fell yesterday, closing at 210p.

Given an estimated percentage growth of profits in 1985 that was common in the middle to upper teens, that still leaves a fair margin of growth for shares to live off this year. If your forecast was already bearish 10 per cent, without a premonition on the currency front, the thought of a 30 per cent revaluation might nonetheless be rather worrying. And for companies trying to disengage from their U.S. mistakes, the falling dollar may already be near to exposing book losses that until a few weeks ago were comfortably hidden by currency gains.

Dee disclosed that had sold a quarter of its holding in Booker and gave warning that it might sell more shares if the price rose to "unrealistic" levels. The move had the effect of setting a ceiling on Booker's share price, but also restricted Dee's own freedom to act because it meant that the bidder was barred from increasing its offer.

The outcome was a victory for S. G. Warburg, the merchant bank which advised Booker, against rival Morgan Grenfell, which acted for Dee.

The base rate cut brought further small gains in the gilt-edged market, prompting the Bank of England to announce the issue of £650m of existing stocks to be offered for sale from Monday.

Measures the pound's value against a basket of currencies, fell 0.1 point to 79.5. However against the dollar the pound gained 0.25 cents on Thursday's London close to close at \$1.2940. In New York on Thursday night it had closed at \$1.2801.

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